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DAILY REPORT

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U.S. SAYS SALT II 'OBSOLETE' AT NATO MEETING

OW010107 Beijing XINHUA in English 2355 GMT 31 May 86

[Text] Ottawa, May 31 (XINHUA) -- The United States wants to replace the Strategic Arms Limitation Treaty (SALT) II with a new nuclear arms control pact despite criticism from its allies during a two-day NATO meeting in Halifax. At the end of a meeting of foreign ministers of the North Atlantic Treaty Organization countries yesterday, U.S. Secretary of State George Shultz said that SALT II is "obsolete, unratified and violated" and it is time to go on to something else. He added that until there is an agreement for real reductions in nuclear weapons, the United States has a responsibility to itself and its allies to maintain the effectiveness of its deterrent capability.

U.S. President Ronald Reagan said earlier this week that his country will exceed the SALT II limits on key weapons before the end of this year.

At the opening session of the NATO meeting, Britain, France, Canada and Federal Germany urged the U.S. Government to abide by the terms of the SALT II, despite alleged Soviet violations.

The United States and the Soviet Union agreed on the SALT II Treaty in 1979, but the former refused to ratify it following the Soviet invasion of Afghanistan. Later both sides agreed to abide by its terms.

In a statement released yesterday, the NATO ministers agreed to set up a task force on conventional arms control to explore Western proposals for disarmament in central Europe. Establishment of the task force is in response to Soviet leader Mikhail Gorbachev's remarks in East Berlin on April 18 that the Soviet Union is willing to pursue conventional force reductions from the Atlantic to the Urals.

Meanwhile, more than 350 peace demonstrators carrying signs reading "NATO Means Death" near the meeting site urged Canada to withdraw from the organization.

SOVIET STATEMENT ON SALT-II OBLIGATIONS

OW311438 Beijing XINHUA in English 1428 CMT 31 May 86

[Text] Moscow, May 31 (XINHUA) -- The Soviet Union declared today that it will not feel bound by the strategic arms controls agreements if the United States exceeds the arms ceilings imposed by these agreements. In a strongly-worded government statement published by the official news agency TASS today, the Soviet Union condemned U.S. President Ronald Reagan's May 27 announcement as "exceptionally dangerous" and "an outright renunciation" of these agreements.

Reagan announced Tuesday that the United States would not be bound by the "fundamentally flawed" Strategic Arms Limitation Treaty (SALT II) in its future military decisions. This marked the first time the Reagan administration has declared a readiness to break out from the ceilings imposed by the treaty.

The two superpowers first signed an interim agreement in 1972 to limit strategic missiles (known as SALT I), which was supplemented by a second Strategic Arms Limitation Treaty (SALT II) signed in 1979 by former U.S. President Jimmy Carter and the late Soviet leader Leonid Brezhnev.

SALT II imposes a ceiling of 1,320 multiple-warhead missiles and long-range bombers carrying cruise missiles for both superpowers.

The Soviet Government said in the statement that it "will not watch impartially how the United States is breaking down the agreements reached in the sphere of the limitation of strategic offensive arms." "As soon as the USA goes beyond the established levels of arms or otherwise violates the main provisions of the mentioned agreements (SALT I and SALT II) observed by the sides until now," the statement declared, "the Soviet Union will consider itself free from the relevant commitments under the 1972 interim agreement and the SALT-2 Treaty and will take the necessary practical steps to prevent the military-strategic parity from being upset."

The statement added, "these measures will rule out the possibility of the United States acquiring advantages in the main types of new strategic arms which it is developing now and which it intends to phase into service." The statement warned the United States not to have illusions that it will manage to get military advantages at the expense of the security of others.

Reiterating the Soviet position on a new summit meeting between Reagan and Soviet leader Mikhail Gorbachev scheduled for this year, the statements said, "such a meeting requires the readiness of the American side to achieve concrete results on at least one or two questions in the sphere of security, and also the existence of a relevant political atmosphere." "It is clear that the challenging move made by the United States in no way attests to either one or the other," the statement added.

BEIJING REVIEW INTERVIEWS UN FOOD PROGRAM CHIEF

OW011014 Beijing XINHUA in English 0756 GMT 1 Jun 86

[Excerpts] Beijing, June 1 (XINHUA) -- U.N. food aid project in China are very well planned and executed, said James Charles Ingram, executive director of the United Nations' World Food Program. During a recent interview with China's English language weekly "BEIJING REVIEW", he said that he had a "very good impression" on how the U.N. aided projects were executed in China. Since 1979, the World Food Program has signed 37 agreements with the Chinese Government on cooperative projects in China. These projects involved soil improvement, irrigation works, afforestation, fish farming and dairy production. James C. Ingram visited China at the invitation of He Kang, Chinese minister of agriculture, animal husbandry and fisheries.

He said that the World Food Program is recommending three projects in 1986 in China. One is the development of fish production in Jiangxi Province around the Poyang Lake. Another is the construction of forests and soil amelioration in Hebei Province and the third is for aquaculture development. That is again fish farming around a number of major cities including Changchun in northeast China, Nanjing in Jiangsu Province, Hefei, capital of Anhui Province, Changsha in Hunan, Xian in Shaanxi, Kunming in Guangxi, Yinchuan in the Ningxia Hui Autonomous Region and Hohhot in Inner Mongolia.

"What we do with food aid is not only to help improve the nutritional circumstances of the poor people but to use the food as an incentive to the beneficiaries to engage in productive work of one kind or another," he said. He said that cooperation of governments undertaking projects and supporting projects is a very good way to promote international cooperation.

WEINBERGER OPPOSES USSR ATTEMPTS TO BLOCK SDI

OW020552 Beijing XINHUA in English 0532 GMT 2 Jun 86

[Text] Washington, June 1 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger said today that he would oppose an extension of the 1972 Anti-Ballistic Missile (ABM) Treaty with the Soviet Union if it prevents the United States from developing its Strategic Defense Initiative (SDI) program.

Appearing on the Columbia Broadcasting System's program "Face the Nation", Weinberger asserted that since 1983, the Soviet Union has tried in every discussion on arms control to convince the United States to give up the SDI program and agree to an extension of the ABM Treaty. That is "something obviously we would be very much opposed to," he said. "I would certainly oppose anything that blocked or in any way prevented our developing strategic defense," he declared.

The 1972 ABM Treaty prohibits developing, testing or deploying any kind of space-based strategic system. But the United States argued that SDI is a research program which is compatible with the treaty. Weinberger said the U.S. aim in developing strategic defense is to "regain sufficient deterrent strength." "This requires moving inside and outside some of the very artificial limits" set out in the previous arms control agreements with the Soviet Union, he said. He said it is "absolutely right" for President Ronald Reagan to place "very high priority" on SDI. "I would like to see us develop a thoroughly reliable strategic defense initiative and deploy it," he said.

Defending Reagan's decision on Tuesday that the United States will no longer abide by the SALT (Strategic Arms Limitation Talks) II Treaty, Weinberger said it is in the U.S. interest "to decide that we should acquire for our own national security the things that help our security best, and not the things that are designed simply to stay within the artificial limits of a flawed and expired treaty." He asserted the Soviet Union has been violating the treaty for a long time and has already had "a head start" in the arms race.

WEINBERGER INVITES USSR DEFENSE MINISTER TO U.S.

OW310024 Beijing XINHUA in English 2357 GMT 30 May 86

[Text] Washington, May 30 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger has formally invited Soviet Defense Minister Sergey Sokolov to visit the United States sometime this year, according to today's local press reports. Weinberger told Congress in a letter dated April 23 that he decided to invite his Soviet counterpart to the United States, but the invitation was not confirmed by Pentagon until yesterday. No Soviet defense minister has previously visited the United States either as part of a summit or a ministerial level exchange, according to Pentagon officials. The visit would be the first by a Soviet defense minister.

Weinberger said in the letter to the chairman of the Senate and House Armed Services Committees that "the first step would be a meeting between the Soviet defense minister and myself, and I have invited Marshal Sokolov to visit the United States this year." His invitation is aimed at building "a more stable relationship" between the Armed Forces of the two countries, he added.

The Soviet Union has not yet responded to the invitation, U.S. Defense Department spokesman Robert Sims told reporters. He expressed the hope that "Marshal Sokolov will accept" the invitation.

BEIJING JOURNAL EXAMINES 'REAGAN DOCTRINE'

HK291316 Beijing SHIJIE ZHISHI in Chinese No 10, 16 May 86 pp 2-4

[Article by Fang Sheng: "The 'Reagan Doctrine' Makes a Pose"]

[Text] The term "Reagan Doctrine" has appeared frequently in the U.S. press in recent months. The U.S. press is accustomed to using the formula "President's name plus doctrine" to sum up certain characteristics of, or a new trend in, U.S. foreign policy. The appearance of a president's name in its foreign policy usually suggests an important change.

Content: Contending in the Third World

The "Reagan Doctrine" began to appear at a "208 Committee" meeting. The "208 Committee" is an interdepartmental secret committee composed of high ranking representatives of the State Department, the CIA, the Defense Department, and the National Security Council. The "208 Committee" was named after the number of the room in the old administrative building in the White House where the committee met. It is responsible for planning and coordinating all of the CIA's paramilitary operations. Recently the committee came to the conclusion that over the past year, Soviet-supported forces have used more powerful antipersonnel weapons and adopted more threatening tactics against anti-Soviet forces in Afghanistan and the National Union for the Total Independence of Angola (UNITA) guerillas. The situation in Angola is different from that in Afghanistan, which is under the occupation of Soviet troops. Reagan calls the guerrillas in these two countries anti-Soviet "freedom fighters" and has made up his mind to give them aid. In a defense report on 26 February this year, Reagan said: "We want to indicate that the falling of a series of governments into communist control will stop from now on." Thus, the conservatives called this new principle the "Reagan Doctrine." Obviously, the doctrine is related with this new principle by which the United States tries to make the Soviet Union lose its advantages in the Third World through supporting the anti-Soviet "freedom fighters."

In fact, this new principle is not fresh. As early as January, Defense Secretary Weinberger pointed out in a speech that the United States should seek methods to assist the guerrillas who are fighting communist governments. Some conservative strategists discussed how to repel Soviet expansion through "low-intensity wars." Long before this, when his first term of office was nearly ended, Reagan already had the idea of "stopping" and "counterattacking" Soviet threats on U.S. interests in the Third World. The difference is that this idea has now turned into an explicit policy.

After a period of consideration, Reagan delivered on 14 March, a message entitled "Freedom, Regional Security, and Global Peace," systematically summing up U.S. policy toward the Third World and making little adjustments of its past practices in line with the new situations in Haiti and the Philippines. The message points out for the first time that the United States is opposed to any form of tyrannical rule, be it of a leftist or rightist nature. Some people are of the opinion that this is a revision of previous U.S. criterion for supporting other countries on condition that the countries to be supported must be anti-communist, and have therefore called this message the "new feature" of the "Reagan Doctrine." The nucleus of the "Reagan Doctrine" is this: "Support 'freedom fighters' in communist-ruled countries and push back the political and military progress the Soviet Union has made." The doctrine is characterized by a strong attitude toward the Soviet Union.

Viewed from the 14 March message, the "Reagan Doctrine" can be summed up in three points. First, it affirms that the Soviet Union extended its influence too far in the 1970's and that it is difficult for it to consolidate its progress, as it is beset with difficulties at home and abroad; it denies that Soviet progress is irresistible and that Soviet vested interests are unalterable; and it proposes taking effective measures to check Soviet strategic, expansionist aims. Some people call this a strategy of "limited push-back." Second, as to pro-Soviet countries in hot regions, the doctrine proposes increasing military aid for anti-Soviet armed forces in these countries with the aim of overthrowing the pro-Soviet governments or seeking a political solution under favorable conditions. Third, with regard to Third World countries with pro-U.S. right wing "dictatorial governments," the doctrine encourages democratization movements there so as to enable them to carry out reforms and prevent the Soviet Union from availing itself of disturbances there. As to other Third World countries, the doctrine treats them according to their different conditions and suggests that military, security, and economic aid be provided for them for the purpose of stabilizing the situation, alleviating their difficulties, and preventing Soviet infiltration.

Background: Thinking That the Situation Is Favorable

The emergence of the "Reagan Doctrine" was not accidental; it had a profound domestic and international background. To put it more specifically, it cropped up in a situation when the United States had rehabilitated its strength, the Soviet Union was in economic difficulties, and the situation in the Third World began to change in favor of the United States. The United States has maintained a continuous economic growth for 40 months since its economic recovery at the end of 1982. Although there have been ups and downs during this period, on the whole it has not found the going very tough. This year, due to a steep fall in oil prices and a favorable economic situation in Western Europe, it is expected that the U.S. economy will continue to grow. The United States is leading in terms of advanced technology. U.S. military strength has grown stronger as a result of armament readjustment over the past 5 years. As revealed by a U.S. reporter recently, Reagan is of the opinion that in the balance of forces, the United States is in a more favorable position than the Soviet Union and that the United States is stronger than it was 5 to 8 years ago, whereas the Soviet Union is weaker. Following the growth of its economic and military strength, the conservative forces in the United States have become more active and are trying to control U.S. foreign policy. Some people maintain that the conservative forces in the United States are reaching their summit, that more and more Americans consider themselves to be conservative, and that the conservative forces will further grow following U.S. economic development. In short, the United States has favorable conditions for pursuing the "Reagan Doctrine."

Comparatively speaking, the Soviet Union is now in a passive position. The Soviet Union is trying to concentrate its efforts on invigorating its economy and to realize the "speeding up strategy" of doubling its production within 15 years. For this reason, it has readjusted its foreign policy and proposed that it is necessary to "appraise its own possibilities" with "extraordinary accuracy" and to be "self restrained" and "responsible" while making decisions, so as to prevent overestimating itself and making an incorrect assessment of the situation.

Meanwhile, the change and development trends in the Third World have exerted a major impact on the world situation, including U.S.-Soviet relations. The Soviet expansionist policy pursued since the 1970's has brought about unrest in some regions, and this has aroused more and more dissatisfaction and vigilance in Third World countries. On the other hand, the economic situation in many developing countries is not good, but the Soviet Union is unable to help them as it is in economic difficulties itself. The Soviet economic development mode is drawing less attention from the Third World.

Some Third World countries hope to receive economic aid from the United States and to strengthen economic relations with it in order to reduce and alleviate their economic difficulties. Therefore they pay attention to improving diplomatic relations with the United States. In addition, political democratization movements are tending upward in some Third World countries, and the United States is trying to enable these movements to develop in a direction favorable to itself.

Measure: Carrying Out Raids on Libya

In recent months, the United States has taken some strong measures against the Soviet Union. International opinion holds that the following two actions indicate the initial implementation of the "Reagan Doctrine." First, not long ago, the United States provided several hundred advanced American-made weapons -- TOW missiles -- for UNITA and anti-Soviet forces in Afghanistan. A U.S. press analysis reveals that providing advanced American-made weapons for the "rebel forces" suggests a major change in U.S. policy. Over the past 40 years, the U.S. Government has all along forbidden the use of advanced American-made weapons in its secret competition with the Soviet Union; it only permits the providing of other countries with weapons purchased from the international arms market or U.S. allies. It is said that this breakthrough in U.S. traditional policy may possibly escalate the wars in Afghanistan and Angola and therefore "add an important new chapter to long-standing U.S.-Soviet contention." Some people have even called this action a "new breakthrough" in the "Reagan Doctrine" which will possibly produce a "major historical impact" of enlivening the "Reagan Doctrine."

Second, on two occasions in less than a month, from 24 March to 15 April, the United States used military force to launch raids on targets in Libya. The attack on 15 April in particular, was said to be an air raid on the largest scale carried out by the United States since the end of the Vietnam war. This action marked a major change in U.S. military strategy. In the 1970's, the United States divided war into four types: strategic nuclear war; nuclear war in a war zone; conventional war in a war zone; and local war, which is on a smaller scale than the third type. Now, the Reagan administration divides war into another four types: nuclear war, large-scale conventional war; small-scale conventional war; and low-intensity war. The Reagan administration maintains that although the danger of the four types of wars reduces in their given order, the possibility increases in their given order. It has confirmed that a conventional war, and in particular a low-intensity clash, poses the most practical threat. Low-intensity clashes refer to terrorist activities, sabotage activities, guerrilla wars, and other limited regional conflicts. The United States is of the opinion that these regional clashes have provided conditions for Soviet expansion. To deal with low-intensity clashes, the United States has in recent years, stepped up the building of its conventional forces, shifting from its previous nuclear threats to the practical use and threats of its conventional force. The previous practice proved that nuclear threats alone obviously could not prevent the occurrence of low-intensity clashes. There is little possibility for a conventional war to escalate to a nuclear war on condition that the United States and the Soviet Union maintain a balance of nuclear power. In terms of operational principles, the United States pursues flexible, counteroffensive, and multioperational tactics, with emphasis on bringing into play the technological superiority of the U.S. Army, launching attacks on the enemy's weak points, "fighting no battle unless victory is sure," and "withdrawing immediately after a strike," so as to prevent such a "gradual escalation" as in the Vietnam war. The United States asserted that these two military actions were not directed at the Soviet Union, but naturally, people related them with the Reagan Doctrine" due to the fact that the Soviet Union provides aid for Libya. A U.S. press comment pointed out that U.S. military action against Libya seemed to indicate the following to the Soviet Union: Not only does it have actual strength, it also has the determination to protect its interests, if necessary, by military means.

Apart from these two instances, the "Reagan Doctrine" has also manifested itself in the following aspects. For example, the Reagan administration is trying every possible means to persuade Congress to approve the plan to provide aid worth \$100 million to the anti-government forces in Nicaragua. Recently, the United States dispatched army and government envoys to many Asian, African, and Latin American countries with the aims of providing aid or security guarantees, selling advanced fighter planes, or discussing the establishment of arsenals. Furthermore, the policy adopted by the United States toward Haiti, and the Philippines earlier, was referred to as a manifestation of the "Reagan Doctrine" or the companion to the "Reagan Doctrine" -- the "third force strategy." In short, the various measures clarified in the 14 March message have manifested themselves in a series of recent events. It seems that the United States really has great determination in pursuing the "Reagan Doctrine."

Prospects: Very Doubtful

Will the "Reagan Doctrine" reach its aim? What will its fate be finally? International opinion cannot find definite answers to these questions. Not long after the 14 March message was broadcast, some people made an analysis of the contradictions between the aims and means of the "Reagan Doctrine," and held that the U.S. assessment of having military superiority over the Soviet Union was not practical. In the present situation in which the United States and the Soviet Union maintain a strategic balance of power, pursuing the "Reagan Doctrine" will finally lead the United States to the predicament in which it will find it difficult to decrease its aim or to expand its means. As the "Reagan Doctrine" is characterized by expeditions, its aim is very difficult to reduce; and escalating its means would be as bad as taking the risk of losing Congressional support, as well as support from the people in the country and abroad. Although the two military actions did not arouse popular opposition in the United States, they caused widespread repercussions in the rest of the world. Most of the countries in the world object to pursuing a country's foreign policy by force of arms, or by wantonly violating another country's territorial integrity and sovereignty. In addition, Americans themselves have different opinions on whether force of arms can settle the problem of "terrorism."

In the 14 March message, Reagan admitted that the United States should be cautious and practical about direct military involvement because the United States itself has limited strength, and that "only by cooperating with other countries, can the United States succeed in realizing its aim." The United States thinks that the Third World is growing to the advantage of the United States. This judgment is very doubtful, as matters in the Third World are very complicated. Take as an example the democratization movements which, in the United States' opinion, have brought "extraordinary hope" to it. In the final analysis, these movements are Third World internal affairs. Any attempt to put the development of other countries' internal affairs into the political orbit of a superpower by exerting external influence will certainly meet with dissatisfaction and resistance. The Third World countries want peace and development. Their readjustment of their domestic and foreign policies is to keep pace with the needs of their own development and not to meet the political needs of larger powers. Therefore it is difficult to imagine that they are willing to serve as tools of conflict between larger powers. What facts have proved is contrary to this. In striving for political independence and seeking economic development, the Third World must oppose intervention and control by larger powers. This really is an irresistible historical trend.

The United States' pursuance of the "Reagan Doctrine" has challenged Soviet vested interests in certain regions in the Third World.

The Soviet Union will not give its vested interests away to others. In fact, no one has discovered Soviet readiness to abandon its vested interests in the Third World due to U.S. pressure. Contrary to this, what people have noticed is this: After the second U.S. raid on Libya, the Soviet Union declared the cancellation of the scheduled U.S.-Soviet foreign ministerial meeting in May; and over 2,000 Soviet troops and 5,000 Afghan Government troops launched fierce attacks on an important anti-Soviet forces in Afghanistan.

Due to various restrictions and limitations both objective and subjective, the implementation of the "Reagan Doctrine" will certainly meet with insurmountable obstacles and difficulties and will inevitably make U.S.-Soviet contention in the Third World sharper and more complicated.

FORMER U.S. OFFICIALS URGE MAINTAINING SALT II

OW300416 Beijing XINHUA in English 0124 GMT 30 May 86

[Text] Washington, May 29 (XINHUA) -- Several former U.S. government officials today warned that President Ronald Reagan's plans to break the SALT II (Strategic Arms Limitation Talks) Treaty with the Soviet Union will result in an unrestrained arms race between the two superpowers.

Reagan announced Tuesday that he has decided to disregard the SALT II limits at the end of this year unless the Soviet Union takes measures to end alleged violations of that and other arms control agreements and negotiates seriously in Geneva.

At a press conference called by the Private Arms Control Association, former Defense Secretary Robert McNamara criticized Reagan's decision as "totally inappropriate."

"Without SALT, the entire structure of offensive arms limitation which has been laid down over a period of 20 years by four presidents -- Johnson, Nixon, Ford and Carter -- will be destroyed," he warned.

In that case, McNamara said, the Soviet Union would respond by adding to its arsenal of heavy land-based nuclear missiles compelling the United States to add nuclear weapons of its own.

"Then we will face an unrestrained arms race," he said.

The Soviet Union warned on Tuesday, shortly after Reagan's announcement, that if the United States scraps the SALT II Treaty, it will take necessary measures to effectively safeguard the Soviet Union and its allies.

Paul Warnke, who took part in the negotiations with the Soviet Union on the unratified SALT II Treaty, said that Reagan's decision is "inconsistent" with U.S. national security.

Without the treaty, Warnke predicted, the Soviet Union will in a relatively short period of time "add probably at least twice as many ICBM (intercontinental ballistic missiles) warheads as they have at the present time."

Another ex-negotiator, Gerard Smith, called Reagan's decision an "ideological" one, reflecting "pressures from people who don't like arms control." Smith asked the U.S. Congress to restrain the Reagan administration by responding to its military budget requests "at a more moderate pace."

'IMPORTANT CHANGE' IN U.S. ARMS POLICY

HK010748 Beijing RENMIN RIBAO in Chinese 1 Jun 86 p 6

["Roundup" by Zhang Yunwen: "An Important Policy Change"]

[Text] President Reagan announced on 27 May that he has ordered the dismantling of two old Poseidon submarines. The next day, a new nuclear submarine armed with 24 multi-warhead Trident missiles started its sea trials. The President took this action because if he had not dismantled the two old vessels, the number of U.S. multi-warhead missiles would have exceeded the limit set by SALT II of 1979. However, Reagan announced at the same time that the United States will not be bound by this treaty when it deploys new B-52 bombers carrying cruise missiles before the end of this year. Senior government officials stressed that this is a new policy decision, showing that in the future the administration will not base its decisions on the deployment of new weapons on SALT. U.S. analysts pointed out that this is the Reagan administration's "most important" change to date in the field of arms control.

SALT II was an agreement reached by the United States and the Soviet Union in 1979 during the term of President Carter. The Senate refused to ratify the treaty after the Soviet Union invaded Afghanistan. However each side has stated that it will not violate the treaty's provisions so long as the other side abides by them.

President Reagan has consistently opposed this treaty, but he has adopted a "policy of not breaking it." In June last year and April this year, Reagan declared that he would continue to abide by the treaty. Reagan's sudden change now has aroused strong controversy among senior government officials. There have always been two schools of thought within the Reagan administration over how to regard SALT II. Civilian officials in the Defense Department and officials in the disarmament administration have vigorously opposed continued adherence to this treaty, on the grounds that the Soviet Union has long ago broken the treaty through a whole series of moves such as deploying new SS-25 intercontinental missiles and building giant radars, and so the United States should not unilaterally abide by the treaty. However, certain officials in the State Department and the Joint Chiefs of Staff Conference advocate that the United States continue to abide by the treaty. They are worried that after the treaty is scrapped the Soviet Union will be in a still more advantageous position in arms control negotiations.

According to American public opinion, Reagan's 27 May decision took account of both these schools of thought, but leaned more toward the hard-liners. When the United States this autumn deploys its 131st multiple independently-targetable reentry vehicle, and the number of B-52 bombers must not be exceeded, it will break through the limit of 1,320 stipulated by the treaty [sentence as published]. Some disarmament experts point out that this decision shows in substance that the United States will no longer be bound by the treaty. Weinberger repeated in a speech at West Point Military Academy on 28 May that the United States will no longer be bound by SALT II. Shultz said at the NATO foreign ministerial meeting on 30 May that the treaty "is already out of date." (Warnke), who took part in the treaty negotiations, acknowledged that the hard-liners in the administration have come out the winners in a policy debate, and the President has now informed the Soviet Union that "the treaty is dead."

Reagan's decision has greatly disappointed arms control advocates inside and outside the administration and in Congress. These people hold that President Reagan has now changed his original "political commitment" and "retreated" on disarmament policy. This will result in the arms race getting out of control. According to reports, Congress is currently discussing the adoption of a new restraining resolution. The NATO foreign ministers currently meeting in Canada have also expressed profound disquiet over this policy decision.

Analysts hold that this policy change of the Reagan administration is aimed partly at reassuring conservative Republicans in Congress before the mid-term elections, and is partly an attempt to force the Soviet Union into concessions.

American observers also point out that President Reagan's 27 May statement also leaves room for maneuver. While announcing that the deployment of new bombers before year-end would not be bound by the treaty, he also said that if the Soviet Union takes "constructive measures," and stops its consistent treaty violations, and if progress is made in the Geneva disarmament talks, then he will reconsider the matter. The inference is that he may continue to abide by the treaty. Nitze, the State Department's disarmament adviser said that although the decision has been made, people should "see what happens."

The second half of this year is the decisive period for the fate of SALT II. At present, two-thirds of congressmen advocate maintaining the existing treaty, while the Western European allies are strongly opposed to scrapping it. The possibility remains of a U.S.-Soviet summit after the mid-term elections. All these factors may lead the Reagan administration to make a new choice.

USSR REACTS TO U.S. DECISION ON SALT II

OW010614 Beijing XINHUA in English 0544 GMT 1 Jun 86

[Text] Moscow, May 31 (XINHUA) -- In its first official reaction to the U.S. intention to exceed weapon limits set by the Strategic Arms Limitation Treaty (SALT) II, the Soviet Union said today it was considering itself free from the treaty commitments. A Soviet Government statement Saturday stated that the U.S. action was aimed at spiralling up the arms race, militarizing outer space and heightening international tension. As soon as the United States goes beyond the established levels of arms or violates other main provisions of the treaty, the Soviet Union will consider freeing it from relevant commitments and will take necessary practical steps to prevent the military-strategic parity from being upset, the statement said. "The American side should have no illusion that it will manage to get military advantages for itself at the expense of the security of others," the statement warned.

U.S. President Ronald Reagan said earlier this week that his country will exceed the SALT II limits on key weapons before the end of this year, while ordering decommissioning of two nuclear submarines. The Soviet Union, however, attributed the American action to budget funds saving instead of "a desire to observe the SALT II treaty provisions." "The President's decision signifies that the present U.S. leadership has resorted to an exceptionally dangerous measure in destroying the treaty system which curbs the nuclear arms race and thereby creates conditions for the conclusion of new agreements," the statement said.

The United States and the Soviet Union agreed on the SALT II Treaty in 1979, but the former refused to ratify it following the Soviet invasion of Afghanistan. Later both sides agreed to abide by its terms. The treaty limits the number of missiles in each country's arsenal that can be equipped with multiple warheads to 1,200 and sets a ceiling of 1,320 on the combination of bomber-carried air-launched missiles with the multiple warheads. At the end of a meeting of foreign ministers of NATO countries yesterday, U.S. Secretary of State George Shultz said that SALT II is "obsolete unratified and violated" and it is time to go on to something else.

The Soviet Government statement said that the U.S. Administration has adopted a version that undermines the foundation of the process of limiting and reducing strategic arms and opened the "floodgate for an uncontrolled race arms". This also made clear the "unconstructive stand" of the United States in the Geneva negotiations on nuclear and space arms, the statement said, adding that a new summit requires the American side to "achieve concrete results on at least one or two questions in the sphere of security" and a "political atmosphere." The challenging move by the United States in no way attests to either one or the other, the statement noted.

SOVIET SHIPPING DELEGATION SIGNS AGREEMENT

OW281154 Beijing XINHUA in English 1136 GMT 28 May 86

[Excerpt] Shanghai, May 28 (XINHUA) -- A Soviet ocean shipping delegation headed by Slava Kolyadko, deputy manager of the Sovfracht, left here today at the end of its visit to the city. During the visit, the delegation, the first of its kind ever sent to China in the past 20 years, conferred with leading members of the Shanghai branch of the China Ocean Shipping Agency on the establishment of a representative office of the Soviet Ocean Shipping Company in Shanghai and shipping cooperation between the two countries. According to an agreement signed between China's Ministry of Communications and the Soviet Ministry of the Merchant Marine, China's navigation company will also set up a representative office in Odessa.

JOURNAL ON CPSU CONGRESS, DEVELOPMENT STRATEGY

HK291059 Beijing SHIJIE ZHISHI in Chinese No 10, 16 May 86 pp 5-6

[Article by Lei Zheng and Shi Zhi: "27th CPSU Congress and Accelerated Development Strategy"]

[Text] Two months have passed since the 27th CPSU Congress, but today it is still a big topic of international commentary and discussion. It is the party conference that has attracted the most attention since the 20th CPSU Congress. Mikhail Gorbachev said: The decisions of this congress will determine the Soviet Union's "forward progress in the next several years and several decades as well as the nature and speed of its advance toward a brand new stature of socialist society," also determining the content and status of the Soviet Union's "entry into the 21st century." It may be said that this congress marked the Soviet Union's entry into a new era of development.

The Axis of the Congress -- Accelerated Development Strategy

In his closing address at the congress, Gorbachev said: "The principal political accomplishment of the 27th CPSU Congress" was the determination of the "general line for accelerating the country's socioeconomic development."

What is the strategy for "accelerating development"? According to Gorbachev's explanation, first of all, it is increasing the speed of economic development. Within the 15 years before the end of this century, national income will grow by 100 percent and the labor productivity rate will increase by 130 to 150 percent. This is to say, the work to be done in the next 15 years is equivalent to the total amount of work done by the Soviet Union in the 70 years since its founding. But acceleration does not merely imply increasing the speed; its essence lies in a "new qualitative and quantitative development," that is, seeking developing on the basis of intensified production. At the same time, acceleration is not confined to transformation in the economic sector but also calls for "enforcement of an active social policy," "improving social relations, and renovating the style and method of work of political organs and ideological organs, intensifying socialist democracy, firmly eradicating laziness, stagnation, and conservatism and all things impeding social progress." In his address on 8 April in Tolyatti Gorbachev said: The 27th CPSU Congress demands that "the various living sectors of Soviet society attain even speedier development," including the "economic, social, and spiritual sectors," and also "the political system."

What is the background of the CPSU advocating a strategy of "accelerated development"? Gorbachev explained its various phases as follows:

1. Speaking on the economic side "in the 1970's and early 1980's, the Soviet Union was noticeably behind in economic development," this "including not only speed but also labor productivity rate, efficiency targets, and slowness in grasping the fruits of technological progress." The Soviet economy "began to lose" vitality. The Soviet Union's economic growth rate was noticeably on the downturn, failing to complete the targets of three 5-year plans in succession.

Gorbachev's words were not without foundation. The average annual growth rate of the Soviet economy from 1981 to 1985 was 3.1 percent, lower than that of Japan (average annual growth rate of 4 percent during the same period). If both countries continue this development at the existing growth rate, the Soviet Union's existing slight superiority in GNP over Japan will vanish in no time and the Soviet Union will be unable to maintain its current position as the world's large economic power second only to the United States. The urgent wishes to accelerate development on the part of the CPSU Central Committee are thus not difficult to understand.

The major reason for lagging behind in economic development lies in "failure to understand" the "total acuteness and urgency of intensifying the economy and of the active utilization of the fruits of scientific and technological progress." Hence, the key to accelerating development lies in paying attention to intensifying economic development.

2. Speaking on the social, political, and ideological phases, "the actual movements of the party organs and government organs have fallen behind the demands of the era and of life itself ... laziness, ossified management style and method, decline in the urge for work, growth of bureaucratism ... social life beginning to show a declining phenomenon," lack of "desire for improvement," and shunning away from solving acute contradictions and from solving problems that have matured. In addition, there are various kinds of improper tendencies. The cadres' ideologies are suffering from the "bondages of outdated concepts;" some people have gone so far as to attempt to have Marxist theories "changed into stiff and ossified formulas and cure-all remedies for emergencies," failing to look into "our own concrete economic and political environments." All these things have impeded the Soviet Union's progress.

3. In the international arena, the Soviet Union is facing the three great challenges of the strategic defense plan of the United States, world scientific and technological development, and the economic reform of other countries. The CPSU leadership has made a "renewed assessment" of the international situation, believed the world situation has never been as "complicated and disadvantageous" as it is today, admitted that the capitalist countries still possess vitality and are still capable of maintaining their existing frontlines and recapturing past lost ground, and was worried that in the next 15 years there might come about a change resulting in adversity to the Soviet Union in the matter of comparative strength with other nations. They were deeply pained by the fear of "once falling behind, forever falling behind," and of the danger of the country being degraded into a third-class nation.

It was precisely under these internal and external actual conditions of the Soviet Union that the CPSU leadership decided to accept the challenges.

Economic Reform

How to carry out the accelerated development strategy?

Seen from the documents of the 27th CPSU Congress, the important link is economic reform. Gorbachev clearly pointed out: "The existing form of production relationship, and management and control structures, were formed under the conditions of crude economic development. They have gradually become outdated, begun to lose their stimulating role, and certain things have actually become obstacles." He called in a loud voice:

"The current situation is that the improvement cannot be only partial but we must go ahead with a fundamental reform" so as to establish an integrated, effective, and flexible management and control structure. People have come to notice the Soviet leadership as being accustomed in the past, when talking about "reforming" the economic structure, to use such words as "perfecting" and "transforming," but this time they loudly insisted on the necessity of a "fundamental reform."

The contents of economic reform are many-sided. They touch on the following list of problems: Bringing the enthusiasm of the economic constituents into full play, employing economic methods to manage the economy and making the relations between commodities and money become active tools in pushing the economic and social policies, doing a good job in handling the relationship between concentration of power and separation or division of power and in reforming the management system, liberalizing agricultural policy, readjusting the ratios of the various departments of the national economy, and changing the structural policies and investment policies. Naturally, the documents of the 27th Congress did not concretely mention the steps and measures for these various reforms. As for the ways and extent of the reform, they have yet to be seen from the measures taken from now on.

Display of Democracy and Expansion of "Openness"

When summing up the lessons learned from the past economic construction, Gorbachev stressed the following three important points: 1) It is necessary "to speak the truth;" 2) "Since the reform has already begun, it should not be abandoned half-way" but "should be carried out to the end;" and 3) It is necessary to make the populace "actively and consciously take part." Obviously, accelerated development demands that there must be renovation and reform in the political sector. As seen from the documents of the 27th Congress, the basic direction of the renovation and reform is toward displaying democracy and expanding "openness" or publicity.

In Gorbachev's words, if democracy is not displayed, "accelerating social development is inconceivable." Meanwhile, "not being open means the lack of democracy." Openness means that "all the acts of the state and society must be placed under the people's supervision and watchfulness." Concerning political reforms, Gorbachev made mention of the following thoughts in his report: The central government must delegate its power management organs must be simple and efficient, party and government organs must be open in their activities, management and decisionmaking must be democratic, promotion of cadres at grass-roots levels must go through election, legal codes must be healthy and perfect, and the style and method of work of the leadership must be changed. Since reform of the political structure is related to complex and complicated interest relationships, how these thoughts are carried out can only be seen from subsequent actual practices.

Science and Technology Take the Lead

The measure to realize the strategic target of accelerated development calls for the parallel enforcement of reform with speeding up the development of science and technology as the center and making it serve as the principal lever for intensifying the economy.

According to estimates made by Western experts, the current scientific and technological level of the Soviet Union is below that of the Western developed countries by 15 to 20 years. Due to the prolonged crude management of the economy, although certain Soviet products have gained parity in production quantity with the United States, many still have the drawbacks of being low in technology, in quality, and in benefits, while their consumption rate of raw materials in production is generally high. If this situation prevails, it is possible that the disparity from the Western states will be further widened. Since his ascension to power, Gorbachev has energetically taken hold of the problem of scientific and technological development. In June last year, the CPSU specially called a conference on the problems of scientific and technological progress. In December, the Soviet Union and other constituent members of the CEMA jointly formulated an outline for scientific and technological development in the next 15 years. This time, the decision of the 27th CPSU Congress on the accelerated development strategy has all the more confirmed placing scientific and technological development in the first place, striving hard to achieve, through high technology, and quality of products, high efficiency, and high speed. For this reason, the machine building industry will be given priority in development, development of technology-intensive industries will be accelerated, the management structure of science and technology will be reformed, and international cooperation in science and technology and technological imports will be strengthened.

Summing up, the two principal links in the accelerated development strategy are structural reform and scientific and technological development. Grasping the two links and giving impetus to the whole constitute a "cure-all" remedy for Soviet society, aiming at the realization of the fighting target of doubling the Soviet economic strength by the end of this century.

The economic reform plan of the 27th CPSU Congress only points out the main direction. In Gorbachev's words, the reform "has just begun," "difficulties are entirely possible," and "there is no guarantee that there will be no errors." At the same time, the reform is bound to meet with obstacles. In this connection, in his speech at Gu-Bi-Xue-Fu, Gorbachev mentioned the following: Certain people do not understand the reform; certain party and government organs are unwilling to make any basic changes or reform and are slow in their actions, even suppressing the creative spirit of the populace; certain people, though voicing support, have continued to behave the same in actual deeds; and certain localities have resorted to "formalism" and have "performed few actual deeds" in supposedly carrying out the decisions. How these impeding forces will be overcome and what future is in store for the reform still remain to be seen.

At present, the world has different assessments of whether the Soviet Union can realize the objective of the accelerated development strategy. Generally speaking, on the one hand, it is recognized that the Soviet Union's determination and ability cannot be underestimated; while on the other hand, it is also recognized that realization of the strategic target abounds with pitfalls, aside from being hindered by various internal forces which are social, political, economic, technological, ideological in nature and pertaining to customs and usages; certain external forces still constitute the sources of impediment; in particular, its arms race with the United States and its aggressive acts in various parts of the world have imposed on it an immensely heavy burden which inevitably scatters its manpower, material resources, and financial strength, thus adversely affecting the realization of the strategic target.

SINO-JAPANESE TRADE DELEGATIONS HOLD MEETINGS

Comments by Gu Mu

OW301756 Beijing XINHUA in English 1518 GMT 30 May 86

[Text] Beijing, May 30 (XINHUA) -- Chinese State Councillor Gu Mu said here today that an active attitude toward trade balance is the only correct method to solve Sino-Japanese trade deficit, and it requires increased bilateral cooperation in economy, trade, science and technology. Gu Mu said this at a meeting with leading members of a Japanese trade delegation including Ryoichi Kawai, acting president of the Japan-China Economic and Trade Association, and advisers to the delegation, here today.

Noting that the Chinese Government has always held that China's trade deficit should not be allowed to exist long, Gu Mu said both sides should share the responsibility in solving the problem. He urged the two sides to cooperate closely and explore new channels for expanding bilateral trade. China will, on its part, strives to raise the quality of products, improve packaging and increase varieties, he said. In addition to China's own efforts, bilateral cooperation is also needed. He expressed the belief that with concerted efforts from both sides, the problem of trade deficit will surely be solved.

Zhang Jingfu Meets Japanese

OW310708 Beijing XINHUA in English 0649 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- State Councillor Zhang Jingfu pointed out today for Sino-Japanese friendship to develop over a long period of time, the existing imbalance of trade between the two countries must be solved from a long-term point of view. He added if China's exports to Japan cannot expand, its imports from Japan will be affected as well. He made the remarks while meeting Ryoichi Kawai, acting president of the Japan-China Economic and Trade Association, and advisors and leading members of a visiting trade delegation headed by Kawai.

Zhang said China and Japan should recognize the existing problems including integration of technology transfer and trade, and integration of import and export trade. He hoped the Japanese entrepreneurs will take an active attitude toward these problems. He said provided both sides make common efforts in the light of the principles guiding the bilateral relations -- peace and friendship, equality and mutual benefit, mutual trust, and long-term stability -- and each gives full play to its own advantages, China and Japan will not become economic rivals and the prospect of bilateral trade will be broad. He hoped Japan will remain China's biggest trade partner not only now, but also in the 21st century.

Zhao Ziyang on Trade Deficit

OW311507 Beijing XINHUA in English 1450 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- Chinese Premier Zhao Ziyang told a visiting Japanese trade delegation today that China's trade imbalance with Japan should draw the serious attention of the two governments. At a meeting with the delegation here this afternoon, he said ~~that~~ in view of the present situation, the imbalance is still on the trend of expansion and this indeed requires both sides to make concrete efforts for the solution of the problem.

"To develop Sino-Japanese trade, both sides should view ahead and base themselves on the present," he said, adding that China should first make earnest efforts and Japan, too, should understand the urgency of the problem. To solve the problem, China should strive for the prolonged, stable and coordinated development of its economy and improve the quality of its exports, so as to enable more commodities to gear to the demand on the Japanese markets, he said.

Meanwhile, China should also improve its own investment environment and hoped that the Japanese side would open their markets, eliminate the man-made obstacles and provide it with more technology and consultancy services. With the joint efforts of both sides, the problem of China's trade imbalance with Japan can be solved, he said, adding that he was confident in the gradual expansion of Sino-Japanese trade.

Zhao noted that the size of a 163-member group comprising both government and firm representatives shows the attention of the Japanese side on the expansion of bilateral trade. He called the combination of the government and people for mutual promotion a significant characteristic of Sino-Japanese friendly relations. "The Japanese friends have come here to discuss ways of expanding Sino-Japanese trade and bilateral medium and long-term trade cooperation," he noted. "The Chinese Government attaches importance to their visit as well as to its positive results."

Zhao also acknowledged that economic and trade ties between the two countries are good and Sino-Japanese relations enjoy the best time in history. "Cooperation between our two countries have brought benefits to the two peoples and will help safeguard peace and prosperity in the Asia-Pacific region as well as peace in the world as a whole," he said.

Ryoichi Kawai, head of the delegation and acting president of the Japan-China Economic and Trade Association, told Zhao the visit is significant. "We will try our best to settle the problem existing in Japan-China trade," he said. He also expressed the hope that China would provide still better investment environment for Japan.

Teams Sign Meeting Minutes

OW310946 Beijing XINHUA in English 0936 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- China and Japan have agreed to make efforts for a long-term, stable and balanced development of bilateral trade as a four-day meeting of their trade delegations closed here today. According to the minutes of the meeting, signed by heads of the two delegations this afternoon, the two countries agreed that there are broad prospects for their economic relations and trade, and it is rather important to seek a long-term, stable and balanced development of their trade.

According to the minutes, China expressed willingness to intensify its efforts in building export-oriented plants and bases, improving the quality and packaging of its products, speeding up its delivery and finding new products for export. At the same time, China expressed its strong desire that Japan will take measures, which can get quick results, to help eliminate China's deficit. It calls on Japan to further open its market, reduce its tariffs, increase import quotas and lift restrictions in order to create favorable conditions for the entry into its market of certain Chinese products or for their improved access to the Japanese market. China also expressed the hope that the two countries will cooperate to tackle animal and plant quarantine problems as soon as possible.

Japan agreed to help China strengthen its ability to export and cooperate as far as possible with China in building export-oriented plants and bases. Japan expressed willingness to help China develop its export-oriented productions through sending experts here, receiving Chinese products, making market studies and assisting in technological transformation of outdated Chinese enterprises.

Delegation Heads Speak

OW311004 Beijing XINHUA in English 0945 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- China and Japan have pledged to work together to eliminate the imbalance in their trade at a meeting closed here this afternoon. Ryoichi Kawai, head of the Japanese delegation and acting president of the Japan-China Association for Economy and Trade, and Shen Jueren, head of the Chinese delegation and assistant minister of foreign economic relations and trade, spoke at the closing meeting.

Kawai said during its stay here his delegation met with leading members of Chinese Government departments and had friendly and constructive talks with them on developing bilateral trade. He described the meeting as fruitful. He said, the two sides recognized the importance of developing a long-term and stable cooperation between the two countries. The Japanese side is willing to contribute its share for expansion of China's export and construction of export production bases.

Shen Jueren said that the frank exchange of views between the two sides at the meeting achieved obvious results and promoted mutual understanding. The two sides are more clear of their own responsibility and have made further orientation and concrete objectives, he said. The meeting's results are positive.

Shen stressed the Chinese Government view that China's continued trade deficit with Japan would not do and it is essential to take active methods to develop Sino-Japanese trade by expanding China's export to Japan. He said he believed that persistent effort made by the two sides through sincere cooperation would lead to the solution of the problems and growth of Sino-Japanese economic relations and trade.

XINHUA INTERVIEWS PRC SPOKESMAN ON OLYMPICS

OW010824 Beijing XINHUA in English 0807 GMT 1 Jun 86

[Text] Beijing, June 1 (XINHUA) -- A spokesman for the Chinese Olympic Committee (COC) gave an interview with reporters from XINHUA NEWS AGENCY and Chinese sports paper "TIYUBAO" here recently. The following were questions raised by reporters on the proposed co-hosting of the 24th Olympic Games by the North and South of Korea, and the COC spokesman's responses:

The Olympic Committee of the Democratic People's Republic of Korea put forward a proposal last year to the International Olympic Committee (IOC) for the joint staging of the 24th Olympic Games by the two sides of Korea. Would you like to give some introductions on conditions concerned?

The COC spokesman said: The proposal by DPRK Olympic Committee has aroused attention from international sports circles. Under the chairmanship of the IOC President Juan Antonio Samaranch, the representatives of the Olympic Committees of the DPRK and South Korea held two talks last October and this January in Lausanne, Switzerland. In accordance with the International Olympic Committee, some headway and not any final agreement was achieved at the second reunion meeting. Hence, the third talks of the two sides of Korea will be held between June 10 and 11 in Lausanne.

How does the Chinese Olympic Committee feel about the DPRK Olympic Committee's proposal?

The Chinese Olympic Committee thinks the proposal by the DPRK Olympic Committee deserves serious attention. The proposal reflects the common aspiration of all Koreans. If the proposal can be realized, it will help further ease the situation on the Korean peninsula and will also be conducive to the peaceful reunification of the Korean nation, the holding of 1988 Olympic Games and the development of the Olympic movement.

From the beginning, the Chinese Olympic Committee has supported the DPRK Olympic Committee proposal. Zhong Shitong, president of the Chinese Olympic Committee, wrote a letter on September 19 of last year to IOC President Samaranch, expressing our attitude and hoping that the IOC will make efforts for success of the talks. Li Menghua, minister of the Chinese State Physical Culture and Sports Commission, reiterated our stand again in a letter dated on December 28 of 1985 to Kim Yu-sun, chairman of the DPRK Physical Culture and Sports Guidance Committee. The Chinese Olympic Committee also took other opportunities to do work for positive results of the Lausanne-talks of the two sides of Korea.

What are the prospects for the third reunion meeting for the two sides of Korea in Lausanne?

The Chinese Olympic Committee seriously hopes that the coming third reunion meeting will achieve positive results if the two sides approach the talks in the spirit of reconciliation and mutual understanding.

What effects will be brought about to the 1988 Olympic Games if the third Lausanne-talks later this month achieves no positive results?

IOC President Samaranch pointed out that he hopes the two sides of Korea will participate in the 1988 Olympic Games after efforts made by the Olympic movement. We heartily hope that the aspirations would be realized. The Chinese Olympic Committee also sincerely hopes that the development of the situation on the Korean peninsula and the results of the Lausanne-talks later this month will be beneficial to the participation of the all IOC membership in the 1988 Olympic Games.

XINHUA ON ANTI-U.S. ACTIVITIES IN SOUTH KOREA

OW301439 Beijing XINHUA in English 1408 GMT 30 May 86

[Text] Pyongyang, May 30 (XINHUA) -- The recent "anti-government" student movement in South Korea turning more and more anti-American has aroused great anxiety in U.S. institutions and among their personnel in Seoul, according to reports from that city.

On May 21, seventeen students in Pusan, the second largest city in South Korea, occupied for about an hour the American Cultural Center to demand a U.S. apology for the Kwangju incident in May 1980, in which more than 5,000 people were reportedly killed and 10,000 others injured. On May 26, an American professor in Seoul University received a telephone call demanding that he leave South Korea within one week. On the same day, another American received a similar phone call at the school for foreigners where he was staying.

A KOREAN CENTRAL NEWS AGENCY report said today that some 30 South Korean Workers forced their way into an American bank in Seoul early this morning. The workers took over some office rooms on the third floor of the bank building and showed anti-American slogans over the windows of the office rooms. (NEW GRAF) The frequent activities in South Korea have caused panic in U.S. institutions and among Americans there.

The U.S. State Department is reportedly planning to move the American Embassy in downtown Seoul, a frequent target of student protests, to a "more safe place." The South Korean authorities have taken measures to protect the U.S. institutions and Americans in Seoul.

Observers said that the growing anti-Americanism among South Korean students resulted from the continuous presence of U.S. military troops, U.S. pressures to compel South Korea to open its market, and the raping of a pregnant teacher by American soldiers not long ago.

S. KOREAN RALLY FOR CONSTITUTIONAL REVISION HELD

OW010626 Beijing XINHUA in English 0558 GMT 1 Jun 86

[Text] Pyongyang, June 1 (XINHUA) -- More than 30,000 people attended a mass rally for constitutional revisions, the ninth of its kind, in South Korea's Chunju City yesterday, according to reports received here. The rally was sponsored by the leading opposition New Korea Democratic Party (NKDP) to collect 10 million signatures on a petition to press for changes in the existing constitution and calling for direct presidential polls.

Kim Yong-sam, standing advisor of the NKDP, said at the rally that anyone who tries to stop "the billowing flood of democratization" would become a victim of the tide. In a tape-recorded speech, another opposition leader Kim Tae-chung urged Chon Tu-hwan to democratize the country before the people's indignation grows further or he would be punished.

Before and after the rally, thousands of young students held anti-government demonstrations, chanting "down with Chon Tu-hwan" and "drive out U.S. imperialists who support military dictatorship." They clashed with about 1,000 riot police who fired tear gas.

The signature campaign, which was sponsored by the NKDP in mid-February, was reported to have collected over 700,000 signatures by early May. According to reports, the NKDP recently agreed to join a special constitutional committee to discuss the constitutional revisions inside Parliament, but it insists on its stand demanding direct presidential polls. Kim Yong-sam said that the prerequisite for participating in the parliamentary discussion is the release of some 1,800 students and workers arrested during the campaign for constitutional revision.

FURTHER ON SINGAPORE DEPUTY PRIME MINISTER'S VISIT

Tian Jiyun Hosts Dinner

OW291647 Beijing XINHUA in English 1506 GMT 29 May 86

[Text] Beijing, May 28 (XINHUA) -- Chinese Vice Premier Tian Jiyun today expressed his hope that mutually beneficial cooperation between China and Singapore in areas of economy, trade, science and technology is sure to develop to a new level. Hosting a dinner for the visiting Singaporean Deputy Prime Minister Ong Teng Cheong here this evening, Tian said in his toast that Singapore is a friendly close neighbor and the two peoples share a deep friendship and visit each other frequently. The frequent exchanges of visits by leaders of the two countries have enhanced their mutual understanding and friendship and promoted the development of their relations.

Since Prime Minister Lee Kuan Yew's visit to China last year, he noted, their cooperation in the economic, cultural and other fields has been further strengthened. He described the establishment of the Shanghai branch of the Commercial Representative's Office of Singapore that the deputy prime minister will preside over its opening ceremony as "another vivid reflection of the further development of the friendly relations and cooperation between China and Singapore." "During the Seventh Five-Year Plan period, we will persevere in implementing the policy of opening to the outside world, not only to developed countries, but to developing countries as well, especially our friendly neighbors," he said.

In his toast, Ong Teng Cheong noted that Sino-Singapore trade in 1979 was 2 billion Singapore dollars and in six years, this number had tripled. "China became Singapore's fourth largest trading partner in 1985," he said, adding that there is ample potential for expansion in bilateral as well as entrepot trade. "The scope for mutual cooperation is considerable particularly in tourism, industries, city planning, design of housing and industrial estates, and port and harbour development," he added.

Gu Mu Fetes Visitors

OW301358 Beijing XINHUA in English 1341 GMT 30 May 86

[Text] Beijing, May 30 (XINHUA) -- Chinese State Councillor Gu Mu gave a banquet in honor of visiting Singaporean Second Deputy Prime Minister Ong Teng Cheong, Mrs Ong and their party here tonight at Fangshan, a restaurant where imperial court cuisines are served.

Earlier today, the guests toured the Summer Palace, the Great Bell Temple, Yong He Gong (the biggest lamasery in Beijing), and the Temple of Confucius in Beijing.

Zhao Ziyang Urges Cooperation

OW311539 Beijing XINHUA in English 1530 GMT 31 May 86

[Text] Beijing May 31 (XINHUA) -- Chinese Premier Zhao Ziyang today suggested that apart from the existing spheres of cooperation agreed upon, China and Singapore consider and experiment with more systematic cooperation in certain areas and fields and acquire experience from them, so that bilateral cooperation could become more solid and efficient.

He conferred with Singapore's Second Deputy Prime Minister Ong Teng Cheong on bilateral economic and technological cooperation and trade at a meeting here today.

Zhao said there are great potentials for cooperation between the two countries. In addition to their respective advantages in economic and technological fields to supplement each other, the two countries have another good advantage -- better mutual understanding.

Ong Teng Cheong said his visit, except for officiating the opening ceremony of the Shanghai branch of the Commercial Representative's Office of Singapore, is to seek for new methods of cooperation. Singapore is ready to cooperate with China in any fields that the latter is willing to, such as airport management, harbor enlargement and management, and consultancy services, he said.

Ong Teng Cheong conveyed greeting of Prime Minister Lee Kuan Yew to Premier Zhao, who also asked him to send his regards to Lee Kuan Yew.

PHILIPPINES' LAUREL TO VISIT PRC IN JUNE

OW291522 Beijing XINHUA in English 1436 GMT 29 May 86

[Excerpt] Manila, May 28 (XINHUA) -- Philippine Vice-President and Foreign Minister Salvador Laurel is going to visit China in June at the invitation of the Chinese government, it was announced here. The visit is aimed at further strengthening the relations, especially economic cooperation, between the two countries, a spokesman from the vice-president office told XINHUA today. Laurel's China visit is part of a diplomatic drive involving several Asian and European countries launched by the new Philippine Government. The spokesman added that the countries Laurel is to visit have indicated their willingness to help the Philippines to tide over its economic difficulties.

AQUINO ABOLISHES PHILIPPINES INFORMATION MINISTRY

OW292015 Beijing XINHUA in English 1503 GMT 29 May 86

[Text] Manila, May 29 (XINHUA) -- President Corazon Aquino has abolished the Information Ministry and reassigned Information Minister Teodord Locsin as her speech writer and new legal assistant beginning June 5, presidential palace sources said today. The palace sources did not say the reasons behind the ministry's abolition but some insiders indicated the president's displeasure with the way Locsin handled his job. Locsin, 37, was the youngest cabinet member. These sources said a smaller presidential press staff, headed by Acting Presidential Spokesperson Alice Villadolid, would remain to handle the presidential press release and media exposure.

DK RADIO SAYS SRV REPLACING WITHDRAWN TROOPS

OW280604 Beijing XINHUA in English 0545 GMT 28 May 86

[Text] Beijing, May 28 (XINHUA) -- Vietnam has been reinforcing its occupation army strength in Kampuchea, while continuing to claim it is withdrawing troops, according to a commentary on Radio Democratic Kampuchea today. The broadcast said as many as 130 trucks of new Vietnamese soldiers have moved from Tay Ninh Province, Vietnam, to Kampuchean Provinces of Kompong Cham and Kratie since the beginning of May. This indicates, the commentary said, that Vietnam does not want to solve the Kampuchea problems through a political settlement.

NPC VICE PRESIDENT ARRIVES IN COPENHAGEN

OW310612 Beijing XINHUA in English 0536 GMT 31 May 86

[Text] Copenhagen, May 30 (XINHUA) -- China is willing to increase efforts to help ease international tension, maintain world peace and promote world prosperity, the Vice President of the Chinese National People's Congress (NPC) Rong Yiren said here today.

Rong, who arrived here today on a five-day visit as head of a NPC delegation made the remark at a banquet given in his honor by the President of the Danish Parliament Svend Jakobsen.

In his reply to Jakobsen's toast, Rong said that rapid and encouraging progress has been made in cooperation between China and Denmark in political, economic, cultural, trade and technological fields.

The Danish people have won international praise for their successful national development and for their efforts to promote cooperation, Rong said. Speaking of China's situation, Rong said the country's economic reforms have been very successful and the policy of opening to the outside world has been written into the nation's Constitution.

In his toast, Jakobsen said that he was impressed by Chinese leaders and people during his visit to China in 1983. Jakobsen spoke highly of China's contribution to the world in arts, culture, science and philosophy over the past thousand years. He said Denmark is following China's economic reforms which are providing stimulus for the introduction of foreign capital and technology.

Before the banquet, Rong met with representatives of the local Chinese communities. During the meeting, Rong briefed them on China's successes and problems and the "one country, two systems" concept, which refers to the reunification of the country's mainland with Hong Kong in 1997 and its proposed reunification with Taiwan.

Earlier Rong's delegation was greeted at the airport by Jakobsen and his wife on its arrival.

The Chinese parliamentary delegation is scheduled to meet with the queen, the prime minister, the foreign minister, parliamentarians and businessmen and visit group of firms during its visit.

YANG DEZHI MEETS FRENCH AIR FORCE COMMANDER

OW301024 Beijing XINHUA in English 0951 GMT 30 May 86

[Text] Beijing, May 30 (XINHUA) -- Yang Dezhi, chief of general staff of the Chinese People's Liberation Army, met here today General Bernard Capillon, chief of air staff of France, and his party. Yang told Capillon that his visit testifies to the continued growth of friendship between China and France, their two peoples and Armed Forces. Capillon, who is scheduled to leave here for home tomorrow, said that his visit to China is unforgettable.

WEU ASSEMBLY CONFERENCE TO FOCUS ON DEFENSE

OWO20648 Beijing XINHUA in English 0633 GMT 2 Jun 86

[By Wang Wei]

[Text] Paris, June 1 (XINHUA) -- The 31st conference of the Assembly of the Western European Union (WEU) which begins here tomorrow, is expected to focus on Mediterranean security, disarmament, high technology and coordination with the organization's council.

Informed sources said that Italian Foreign Minister Giulio Andreotti, Defence Minister Gioranni Spadolini, Belgian Foreign Minister Leo Tindemans, British Minister of State for Foreign Affairs Baroness Young as well as officials from France, Federal Germany, Luxembourg and the Netherlands will speak at the conference to be attended by parliamentary members from the seven countries.

The assembly is the consultative body of the seven-nation Western European Union, an organization aimed at coordinating the defence of Western Europe.

The present assembly will discuss its uncomfortable relations with the WEU council, the organization's administrative body. The assembly has long complained that it has not been given a significant enough role and that it does not get enough input from the council.

WEU officials said the assembly will pay close attention to the situation in the Mediterranean. A draft resolution drawn up by the organization's Standing Armaments Committee says that long-term political objectives of the Soviet Union in the Mediterranean and the Middle East remain unchanged.

The document calls on WEU to overtly declare its responsibility for the Mediterranean region, support the military exercises of the North Atlantic Treaty Organization, coordinate the maritime surveillance of the allies, and reaffirm the U.S. military presence in the region to improve West European defence capabilities.

The present conference is also likely to demand that the superpowers abide by existing disarmament treaties, especially the SALT-II and Anti-Ballistic Missile Treaties. The participants may also urge their governments to promote nuclear test ban negotiations in Geneva and sign the non-chemical weapon treaty. The conference will also discuss the cooperation of high-technology development among the European countries and between Europe and North America.

A document prepared for the conference states that the assembly believes the success of the area's hi-tech industries depends on the expansion of the European civil and electronic computer markets. It suggested that the WEU should contribute to the establishment of a united computer market and study the possibility of setting up a super-computer network in Europe. It also proposes the organization play a coordinating role in manufacturing the planned Euro-fighter.

WN XUEQIAN BEGINS EAST EUROPEAN PORTION OF TRIP

Hosted by GDR Counterpart

OW310608 Beijing XINHUA in English 0546 GMT 31 May 86

[Text] Berlin, May 30 (XINHUA) -- Chinese Foreign Minister Wu Xueqian arrived here today for a four-day official visit to the German Democratic Republic, the first of its kind since the late 1950s. He is here on his eighth leg of a nine-nation European tour that has already taken him to seven West European countries.

At a dinner this evening, the Chinese minister and his Democratic German counterpart Oskar Fischer voiced their common wish for further development of bilateral relations.

Fischer said Wu's visit was not only the continuation of a flurry of meetings between the senior officials of the two countries, but also reflected the common desire for a rapid expansion of relations between them. Fischer said given the current international situation, the expansion of cooperation between his country and China will help enhance the strength of socialism and peace.

He echoed the view expressed by Democratic German Leader Erich Honecker at last month's party congress that the development of cooperation with China will render positive impact on the struggle for world peace, which he said was the paramount task facing his country. Fischer appreciated the efforts devoted by China to safeguard world peace.

In his speech, Wu Xueqian said peoples in the world all need a long, stable peaceful international environment for their domestic development. Safeguarding world peace is the common desire of all people, including the Chinese and Democratic German peoples, he said.

China, Wu added, will continue to adhere to its independent policy of peace and play its due part in maintaining peace by joining efforts of other peoples.

The Chinese foreign minister spoke highly of a notable expansion of relations between two countries in the past few years. The development of bilateral relations in an all-embracing way is in the interests of world peace and socialist construction in both countries. Earlier today, the two ministers had held their first round of talks on international and bilateral issues.

Signs New Consular Treaty

OW010014 Beijing XINHUA in English 2345 GMT 31 May 86

[Text] Berlin, May 31 (XINHUA) -- China and the German Democratic Republic today signed a new consular treaty and two other accords on cooperation between them in the work of their foreign ministries and in cultural, scientific and technological fields.

The consular treaty and a plan on cooperation between the foreign ministries of the two countries were signed by visiting Chinese Foreign Minister Wu Xueqian and his GDR counterpart Oskar Fischer, and a working plan on cultural, scientific-technological cooperation signed by Chinese Ambassador here Ma Xusheng and GDR Deputy Foreign Minister Herbert Krolikowski.

The new consular treaty, to come into force after an exchange of ratifications, will replace the previous one concluded in 1959. The cooperation plan between the two foreign ministries became effective upon signature.

Prior to the signing of the three documents, the two foreign ministers held their second round of talks on international and bilateral issues.

Fischer explained to his guest the basic aims and directions of his country's foreign policy adopted at the 11th congress of its ruling Socialist Unity Party held in mid-April.

Wu briefed his host on the latest developments in China and its views on major world issues.

The two ministers stressed with satisfaction the successful development of bilateral relations in the political, economic, scientific-technological and cultural fields and underlined the identity of views on the fundamental issues of striving to safeguard peace and building socialism in both countries.

They agreed that the present international situation deems it necessary for the two countries to enhance cooperation in various spheres, which they regard benefit the socialist construction of both countries and the efforts for securing world peace.

The Chinese foreign minister is here on an official visit, the first of its kind of this country since the late 1950s.

MA WENRUI CPPCC DELEGATION LEAVES FOR ROMANIA

OW290622 Beijing XINHUA in English 0607 GMT 29 May 86

[Text] Beijing, May 29 (XINHUA) -- Ma Wenrui, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), left here for Romania today as the head of a CPPCC delegation. The 5-member delegation has been invited by the Romanian Socialist Democracy and Unity Front for a one-week goodwill visit. Among those who saw the delegation off at the airport was Cheng Zihua, vice-chairman of the CPPCC National Committee.

GDR'S HONECKER MEETS FRG SOCIAL DEMOCRAT LEADER

OW290316 Beijing XINHUA in English 0046 GMT 29 May 86

[Text] Berlin, May 28 (XINHUA) -- Democratic German Leader Erich Honecker and Federal German politician Dr Hans-Jochen Vogel agreed today that "formal links should be established" between the parliaments of the two German states as a major move to further normalize their state relations. The official news agency ADN said the two men met at Hubertusstock Hunting Lodge on Lake Werbellinsee north of Berlin for an exchange of views, the fourth between them since 1985.

Vogel is chairman of the Social Democratic group in the Parliament of the Federal Republic of Germany. ADN said they were in favor of increased contacts between the two countries in other fields and hoped the talks now underway between the governmental experts on environmental protection would produce concrete results. An announcement on the talks said the two sides believe that their regular meetings are helpful to peace in central Europe and serve to improve the situation of people in the two German states in line with a basic relations treaty concluded in 1972.

'DOUBLE HUNDRED' POLICY ANNIVERSARY MARKED

OW300449 Beijing Domestic Service in Mandarin 2130 GMT 29 May 86

[Text] The Chinese Society of Marxism-Leninism-Mao Zedong Thought and five other units held a forum in Beijing on 29 May to commemorate the 30th anniversary of the policy of letting a hundred flowers blossom and a hundred schools of thought contend put forward by the party Central Committee. The more than 200 experts, scholars, and professors pointed out that the policy of letting a hundred flowers blossom and a hundred schools of thought contend is a strategic policy for building socialist material and spiritual civilization. It should be taken as a fundamental national policy and implemented accordingly.

YU GUANGYUAN ARTICLE ON 'DOUBLE HUNDRED' POLICY

HK300933 Beijing RENMIN RIBAO in Chinese 16 May 86 p 5

[Article by Yu Guangyuan: "The 30th Anniversary of the Setting Forth of the "Double Hundred" Policy"]

[Text] 1956 was spring for Chinese intellectuals.

In 1956 when the socialist transformation of private ownership of means of production had been basically accomplished, the CPC Central Committee and Mao Zedong shifted their attention to the economic and cultural construction which greatly needed intellectuals, thus the question of intellectuals was put on the important agenda of the party and the state.

In January, 1956, the CPC Central Committee held a meeting to discuss the question of intellectuals. It was a grand meeting attended by the responsible persons of the various departments of the central authorities, the responsible persons of localities and the representatives of intellectuals in various fields. At the meeting, on behalf of the CPC Central Committee, Zhou Enlai made a report on the question of intellectuals, demanding the party organizations at various levels to fully mobilize and bring into play the existing strength of intellectuals, and proposed three relevant measures: to improve the use and arrangement of intellectuals; to fully understand, duly trust and support intellectuals; to provide necessary working conditions and proper treatment to intellectuals. In the meantime, the CPC Central Committee made the "decision on the question of intellectuals." Although at that time, the transformation of intellectuals was still considered as a reflection of the class struggle, Zhou Enlai's report had emphatically pointed out: "The phenomena of crudely treating scientists and scientific questions have still been found recently," and demanded the "various areas pay attention to correcting them." After the meeting, the measures stipulated in the CPC Central Committee's "decision on the question of intellectuals" were implemented one by one according to the instructions of Zhou Enlai.

The "double hundred" policy was put forward when our country was at such an important historical juncture. Though in the immediate post-liberation years, Mao Zedong wrote "letting a hundred flowers blossom and weeding through the old to bring forth the new" for the field of traditional opera, and the idea of letting a hundred schools of thought contend was also brewing, it was under the historical conditions in the spring of 1956 that the fundamental policy of "double hundred" which aimed at boosting the scientific and artistic development of our country, was put forward. The setting forth of the policy was mainly the demand of the historical task of developing our country's social economy and culture. And it also showed that our party had begun to realize the maladies in blindly learning from the Soviet Union.

To use political force to interfere in scientists' freedom of research and artists' freedom of creation, or to put a political label on scientists and artists or carry out political criticisms in the scientific and artistic fields were the influence of an erroneous guiding ideology. One glaring example is that the Soviet Communist Party crudely carried out political interference in the dispute between the school of Ivan Vladimirovich Michurin and the school of Gregor Johann Mendel and Thomas Hunt Morgan in the field of genetics by supporting the school of Lysenko, which flaunted the banner of Michurin, calling it "proletarian," "progressive," "dialectical materialist" and "realistic" while calling the school of Morgan "bourgeois," "reactionary," "idealist," "metaphysical," "falsely scientific," and so on. (footnote 1) (Li Peishan, Meng Qingzhe, Huang Qinghe and Huang Shune: "The Historical Background and Basic Experiences of Qindao Symposium on Genetics," "Letting a Hundred Schools of Thought Contend -- the Only Way To Develop Science -- Record of Qindao Symposium on Genetics Held in August, 1956" published by Commercial Press, p 2, the appendix of which carried "The Three Disputes in the Soviet Genetic Field Between 1935 and 1956" written by Comrade Huang Qinhe in 1956, which provided a lot of specific material on the situation in the Soviet Union. I [Yu Guangyuan] also summed up the situation in the preface I wrote for the book.) When implementing the policy of learning from the Soviet Union across the whole country, such an erroneous ideology was brought into our country, caused damage in our work and aroused resentment in the scientific and artistic fields. This situation, together with the criticism on the cult of Stalin at the 20th Soviet Communist Party Congress sobered us up and made us realize that we should implement a policy, which was different from the above mentioned erroneous principle, in the scientific and artistic fields.

According to the recollections of Comrade Lu Dingyi, the policy of letting a hundred schools of thought contend in scientific work was first put forward and decided on at a meeting held by the CPC Central Committee in February 1956. (Footnote 2) (Lu Dingyi: "A Review of the History of 'Letting a Hundred Flowers Blossom and a Hundred Schools of Thought Contend'" in GUANGMING RIBAO 7 May, 1986) On 25 April, 1956, Mao Zedong made a speech on the 10 big relations in our country's socialist revolution and socialist construction. When discussing the speech Mao Zedong himself completely put forward the policy of "letting a hundred flowers blossom and letting a hundred schools of thought contend." At the supreme state conference held on 2 May. Mao Zedong announced his proposition of the "10 big relations." And during the discussions, Mao Zedong again explicitly announced the "double hundred" policy (footnote 3) (Lu Dingyi's speech on 26 May, 1956 said: "The Communist Party of China advocates letting a hundred flowers blossom in the work of literature and art, and letting a hundred schools of thought contend in the scientific work. This was announced by Chairman Mao at the Supreme State Conference." However, Mao's announcement had not been published in written form. In all articles written by Mao Zedong, the "double hundred" policy first appeared in the speech entitled "On the Question of Correctly Dealing With Contradictions Among the People" made by Mao Zedong at the Supreme State Conference in February, 1957. "A Collection of Reading Documents of the Socialist Education Course," "Selected Works of Mao Zedong," volume 5, pp 388-393)

Zhou Enlai also relayed Mao Zedong's speech to the parties concerned. On 26 May, Lu Dingyi, then head of the Propaganda Department of the CPC Central Committee, made a speech entitled "Letting a Hundred Flowers Blossom and a Hundred Schools of Thought Contend," which systematically expounded and brought into play our party's "double hundred" policy.

In his speech, Lu Dingyi announced the party's "double hundred" policy in the scientific, artistic fields and in public. Lu's speech had a great influence at home and abroad.

Thirty years have passed since the CPC Central Committee put forward the "double hundred" policy. Recalling the things that took place in the past and re-reading the relevant historical documents, I feel that at that time, the CPC Central committee did resolutely and thoroughly implement the "double hundred" policy. In the speech made by Lu Dingyi, we can clearly read the explicit proposition of the CPC Central Committee: "'Letting a hundred flowers blossom and a hundred schools of thought contend' means to advocate the freedom of independent thinking in literary and artistic work and in scientific research, the freedom of debate, the freedom of creation, the freedom of publicizing one's own opinions, sticking to one's own opinions and expressing reservations;" "Among the people, there should be not only the freedom of publicizing materialism but also the freedom of publicizing idealism. ...there should also be the freedom of debate between the two;" "The academic criticisms and discussions should be based on argument and reasoning and seeking truth from facts, which means that we should advocate incisive academic debate on a scientific basis. Criticism and discussions should aim at improving our work. We must forbid a simple and crude attitude. We should adopt the method of free discussion and oppose using administrative orders to solve academic disputes. We should allow those who are criticized to counter-criticize others and should not suppress this kind of counter-criticize others and should not suppress this kind of counter-criticism. We should allow a minority of people who have different opinions to have reservations, and should not implement the principle of the minority being subordinate to the majority. It is not imperative for those, who have been proved wrong on some academic questions after criticism and discussions, to hand in written self-criticisms if they are not willing to do so. In the academic field, we should allow discussion on some academic questions on which conclusions have been drawn if different views emerge." (Footnote 4) ("A Collection of Reading Documents of the Socialist Education Course" book one, p 960, p 962, pp 964-965, etc.) Lu Dingyi not only presented the above views but also personally summed up the experiences in those few years and took charge to solve some problems in the genetic field, such as the erroneous view that "traditional Chinese medical science is feudalistic medical science, Western medical science is capitalist medical science, and Ivan P. Pavlov's medical science is socialist medical science," which he mentioned in his article published recently. It was Lu Dingyi who suggested that the science section under the CPC Central Committee's Propaganda Department help the Chinese Academy of Sciences and the Higher Education Ministry to hold a meeting on implementing the policy of letting a hundred schools of thought contend in the genetic field, thus setting a good example for implementing the policy. (Footnote 5) (The detailed record concerning Lu Dingyi's suggestion of holding a symposium on genetics in Qindao was published in "Letting a Hundred Schools of Thought Contend -- the Only Way To Develop Science" published by Commercial Press in November, 1985. Compared with the conference held by Soviet Union's Lenin Academy of Agricultural Science in Moscow, 1948, we can see two different practices under two policies which differed in principle.)

Here, I would like to point out Mao Zedong's active support for this policy in 1956. An example is that after the Qingdao Symposium on genetics, an article entitled "Talking About Letting a Hundred Schools of Thought Contend From Genetics" written by Li Ruqi, our country's professor of genetics, was published in GUANGMING RIBAO on 29 April 1975.

After reading the article, Comrade Mao Zedong immediately suggested RENMIN RIBAO reprint it, and changed the headline into "The Only Way To Develop Science" and also wrote the editor's note for the Editorial Department of RENMIN RIBAO. In the editor's note, Mao Zedong wrote: "We have changed the original headline into a subheading and written a more affirmative headline for the author. We welcome all the people to carry out thorough criticism of wrong ideas (all the truly wrong ideologies and measures must be thoroughly criticized) and at the same time, we welcome, all the people to put forward proper and constructive views." There is another thing which is worth recalling. When the policy of letting a hundred schools of thought contend was first put forward, Lu Dingyi told our comrades in the CPC Central Committee's Propaganda Department: Once, a comrade from a certain unit asked the CPC Central Committee's Propaganda Department for instructions. He wanted the CPC Central Committee's Propaganda Department to draw a conclusion on a certain academic question so that he could go back to his unit to carry out academic criticisms. Lu Dingyi went to Mao Zedong for instructions. Mao Zedong said: Even if you had Marx as the head of your department, and Engels and Lenin as the deputy heads of your department, they would still not be able to solve so many academic questions. On academic questions, we should let a hundred schools of thought contend.

From the spring of 1956 to the summer of 1957, the Chinese intellectuals were very pleased with the party's policies and situation. At that time, many of China's scientific workers and philosophical social scientific workers were considering how to make better contributions to the socialist construction cause.

However, good times did not last long. After carrying out the anti-rightist struggle in summer 1957, the policy of letting a hundred flowers blossom and a hundred schools of thought contend was actually abolished. After that, the atmosphere was a bit relaxed. Some academic discussions were carried out and some good academic symposiums were held, such as the symposium on economic theory held in Shanghai in 1959 to discuss the question of commodity economy and the question of law of value. However, the situation in our country's scientific circle was no longer as vivid and vigorous as that in 1956.

Under the guidance of the ideology of "grasping the class struggle as the key link," those erroneous methods which were criticized in 1956, such as criticizing from a higher plane of principle and putting all kinds of political labels on academic views, were reapplied in various places. During the "Cultural Revolution," all the past questions were again brought to light with almost all the people who had once publicized creative academic views being publicly denounced and persecuted even more ruthlessly. Lu Dingyi's expositions on the party's "double hundred" policy were denounced as a bourgeois reactionary program. (footnote 6) (For example, an article entitled "Lu Dingyi's Reactionary Program on Airing Views Must be Thoroughly Criticized" written by "The Yenan Red Banner General Regiment of the Former Ministry of Culture" and published in RENMIN RIBAO on 29 August, 1967, attacked Lu Dingyi by saying: "In May, 1956, just before the mighty anti-rightist struggle, Lu Dingyi, the big 'Yama' and academic lord presented a black report entitled 'Letting a Hundred Flowers Blossom and a Hundred Schools of Thought Contend,' which was an out-and-out bourgeois reactionary program." The article went on: "The soul of 'letting a hundred flowers blossom and a hundred schools of thought contend' is to eliminate bourgeois ideology and foster proletarian ideology...but the big academic lord Lu Dingyi acted in a diametrically opposite way.

"He took away the revolutionary soul of the policy of letting a hundred flowers blossom and a hundred schools of thought contend, eliminated the class contents of the policy and distorted it into a bourgeois liberal policy...When he talked about letting a hundred flowers blossom and a hundred schools of thought contend, he just talked about freedom! freedom! freedom! ...A lot of facts have proved that over the past 17 years, Lu Dingyi has gone a lot for bourgeois liberalization in the ideological and cultural circles by making use of the power he had usurped.") Between 1966 and the fall of the "gang of four," our country's entire scientific work was at a standstill and the implementation of the "double hundred" policy was completely out of the question. Between the fall of the "gang of four" and the 3d Plenary Session of the 11th CPC Central Committee, owing to the stress on the "two whatevers," academic freedom was still suffocated. It was not until after the 3d Plenary Session of the 11th CPC Central Committee that the situation in academic circles showed a fundamental improvement.

Why was the "double hundred" policy resolutely put forward first in 1956 and then soon abolished? Why were the crude methods of suppressing the freedom of scientific research and artistic creation, which were criticized in 1956, repeated after 1957, especially throughout the 1960's and 1970's, and even intensified during a certain period?

I think that the reasons are:

First, the "double hundred" policy was put forward at a time when China entered the historical period of socialist construction and when the focal point of work was shifted from class struggle to economic and cultural construction. At that time, the CPC Central Committee and Chairman Mao saw this new situation and also made some relevant remarks. Lu Dingyi made his speech after making an appraisal of the new situation at that time. He said that the situation at that time was characterized by the following four aspects: 1) The socialist transformation had achieved decisive success in various aspects in the basic areas of the whole country; the system of exploitation would be eliminated in a few years' time in those areas, and our country would soon become a socialist country without exploitation. 2) Great changes had taken place in the political and ideological fields of the intellectual circles and more fundamental changes were still taking place at that time. 3) We still had the enemy and there was still class struggle in our country, but the force of our enemy, especially the force of our domestic enemy had been greatly weakened. 4) The political and ideological uniformity of the people of the whole country had been greatly strengthened, and was still being further strengthened at that time. However, our party did not wholly understand this historical change. Originally, we should have thought about the question in this way: The historical turn is the conclusion drawn from the historical law of the entire social development. During this transitional period, various misleading phenomena were bound to emerge. However, we should not change our basic estimation of the historical development because of these phenomena and should not change our basic policies. The turn from revolution to construction took place in 1956. Today, when reviewing the past, we should still objectively say so. However, the development of history was not so simple as we had estimated. The situation that emerged after the socialist transformation greatly differed from that which had originally been predicted by Mao Zedong. For example, Mao Zedong had not predicted the situation of the "airing of views," which emerged in the summer of 1957.

As a result, our party began to waver, and finally withdrew from its relatively correct understanding of the turn in the Chinese history to the understanding that China was still in a period of sharp class struggle and the class struggle must still be carried out "every year, every month, and every day." Looking at things through colored glasses resulted in the exaggeration of some vestiges of the class struggle. Since the historical conditions proposed by the "double hundred" policy no longer existed, the policy could only be abandoned. In order to save face, our party could not directly negate the "double hundred" policy. Instead, our party gave new explanations to the "double hundred" policy. So the policy was explained in this way: "The soul of the policy of letting a hundred flowers blossom and a hundred schools of thought contend is to eliminate bourgeois ideology and foster proletarian ideology." (footnote 6) So, during the reign of the "gang of four," the policy of "letting a hundred flowers blossom and a hundred schools of thought contend," which had already become empty talk, did not hinder the "gang of four" from carrying out their ruthless rule.

Second, another important reason for the abolition of the "double hundred" policy was the lack of a profound understanding of the theoretical questions raised by the "double hundred" policy. In all the relevant documents, the speech made by Lu Dingyi in 1956 should be considered as one which most fully expounded the policy. At that time, a man like me who was carrying out the policy could only understand the policy to such a level. Today when reviewing history, we can see that there were at least some shortcomings in our theoretical explanations of the policy at that time. Since the policy is one which a socialist country must implement during the period of its construction, we should know clearly about the characteristics of letting a hundred flowers blossom and a hundred schools of thought contend during the period of socialist construction. We should not only understand that the policy should be carried out under our party's conscious and unified leadership, and the purpose of the policy is to promote the prosperity of socialist social science and art, and also understand some questions, such as -- how to correctly understand and deal with the relations between letting a hundred flowers blossom and a hundred schools of thought contend and the class struggle; how to correctly understand and deal with the relations between letting a hundred flowers blossom and a hundred schools of thought contend and the dispute between Marxism and non-Marxism; how to correctly deal with the relations between letting a hundred flowers blossom and a hundred schools of thought contend in theoretical and artistical fields and democracy and freedom in the political field; how to correctly understand that implementing the "double hundred" policy will greatly facilitate the socialist economic and cultural construction; how to estimate the resistance to the implementation of the "double hundred" policy and how to overcome the resistance, and how to create conditions for implementing the "double hundred" policy, and so on. When the "double hundred" policy was first put forward, all these questions were only superficially touched. Some of these questions were noticed and raised, but there was no time to carry out research and discussions on them. And some of these questions were not noticed and raised at that time. Later on, the situation changed so that incorrect answers were given to these questions.

Since the incorrect answers were given by our party's decision-maker, they played a decisive role in abolishing the "double hundred" policy. In his article published recently, Lu Dingyi pointed out: "Comrade Mao Zedong once said that letting a hundred schools of thought contend is actually to let two schools contend, one is the bourgeois school, the other is proletarian school, which is incorrect as far as the scientific and artistic departments are concerned. If we do things to his remark, in the scientific and artistic fields, there will be only one person who has the say, and the practice of "putting political labels" on others will prevail. (footnote 2) (Lu Dingyi: "A Review of the History of 'Letting a Hundred Flowers Blossom and a Hundred Schools of Thought Contend'" in GUANGMING RIBAO 7 May, 1986) If our theoretical workers had carried out research and discussions on the above questions with a Marxist stand, viewpoint and method, they would have been able to find that Mao's remark was not correct. Of course, even if they had been able to see the incorrectness of Mao's remark, they would not have been able to change the entire situation at that time. However, they would have been able to stay clear-headed if they had known the truth. It was a pity that at that time, most of the comrades, including myself, did not have such consciousness.

Third, implementing the "double hundred" policy will inevitably meet with strong resistance, for it will affect some academic authorities. The Academic authority of some people is closely linked with their political authority. The implementation of the "double hundred" policy will certainly bring out ideas which run contrary to those ideas which presently prevail and occupy a ruling position in the society. So, the implementation of the "double hundred" policy will certainly meet with strong pressure by public opinion in the society. The correct idea which emerges in the course of implementing the "double hundred" policy will probably be opposed by a lot of people. And the opposition will become stronger when incorrect ideas emerge in the course of implementing the policy. This situation is possible because the policy allows the emergence of incorrect ideas. When this situation emerges, those who oppose it will possibly turn to oppose the policy itself by opposing some ideas whose emergence is allowed by the policy. Therefore, we cannot underestimate the role of public opinion in the society because public opinion in society can not only influence the designers of our general and specific policies but can also affect their determination to implement the "double hundred" policy.

Fourth, the "double hundred" policy runs counter to dogmatism and factionalism in essence. The practice of letting only one flower blossom and one school of thought exist is the manifestation of the "leftist" ideology in the scientific and artistic work. So the abolition of the "double hundred" policy was the result of the temporary victory of the "leftist" ideology over the "double hundred" policy. By the end of the 1950's, the "leftist" ideology had gained a dominant position within our party owing to the vacillation of our party's view towards the transition in Chinese history and the ideological roots and social basis of the "leftist" ideology. The narrow-mindedness of small-scale peasant economy and feudal ideology very often played an important role in the social and political life of our country. Later on, the political change in our country brought the "gang of four," who were the social fascists, into the leading positions of the party and the state. Asking the "gang of four" to support the "double hundred" policy would doubtlessly mean to ask a murderer to show mercy. Thus, at the same time, the implementation of the "double hundred" policy was completely out of the question.

In 30 years since the CPC Central Committee put forward the "double hundred" policy in 1956, the "good times" only lasted for a short while. So such a fine policy has achieved little successes. Reviewing the past 30 years, I am filled with all sorts of feelings. People might think what a high standard our country's science and art would have reached, if the "double hundred" policy could have been continuously carried out till now even since it was first put forward in 1956. People might think that our country might not have experienced such a long period of political oppression and misery. However, as historical materialists, we should not think in that way. The emergence of all realistic things is due to some reasons. The historical upheaval over the past 30 years has not only been caused by subjective reasons but also by objective reasons, such as the "combination" of various situations at that time. In the 1950's, we did not know what the socialist structural reform outside world, and did not know what requirements the building of the four modernizations would have for science. Today, when commemorating the 30th anniversary of the formulation of the "double hundred" policy by the CPC Central Committee, we have seen the conditions for sticking to the "double hundred" policy for a long time in the future and the conditions for taking the "double hundred" policy as a basic national policy of our party and state. We can expect that the implementation of the "double hundred" policy will bring about great prosperity in our country's science and art. We must ensure that, after commemorating the 30th anniversary of the formulation of the "double hundred" policy, the policy will no longer be abolished. Because of the correct leadership of our party since the 3d Plenary Session of the 11th CPC Central Committee and the new situation characterized by the building of modernizations, the reform and opening up to the outside world, we have great confidence in this. As for how to stick to the "double hundred" policy for a long time in the future, I think that we should learn a lesson from the above mentioned four reasons which caused the abolition of the "double hundred" policy soon after it was put forward in 1956. From these experiences and lessons, we can sum up the questions which we must pay special attention to and study in the future so that we will be able to accumulate more beneficial experiences in the course of implementing the "double hundred" policy. Because the "double hundred" policy was not carried out for long after 1956, the experiences we gained in that period are so limited that they are not enough for us to apply in the future. Therefore, the scientists and artists of our country should learn new experiences in the course of implementing the "double hundred" policy. The leading comrades who are responsible for the scientific and artistic work of our party and our country should also learn new experiences in the course of implementing the "double hundred" policy. I believe that by the 40th and 50th anniversary of the formulation of the "double hundred" policy, gratifying achievements will have been made in our country's scientific and artistic fields.

RENMIN RIBAO ON IMPLEMENTING 'DOUBLE HUNDRED' POLICY

HK010216 Beijing RENMIN RIBAO in Chinese 30 May 86 p 5

[Article by Yu Haocheng: "The Double Hundred Policy and Its Guarantee by the Legal System"]

[Text] Thirty years have passed since the spring of 1956 when the CPC Central Committee and Comrade Mao Zedong set forth the policy of "letting a hundred flowers blossom and a hundred schools of thought contend."

The double hundred policy is an important policy by which the party and the state can go about developing science and the country's culture. Since the day it was put forward, it has received sincere support from the masses, particularly from the intellectuals among them. However, its implementation has not been smooth. In the year after this policy was put forward, the "anti-rightist struggle" began. It later spread to every corner of the country and had grave consequences. As "leftist" ideas ran rampant, political movements began successively and the double hundred policy was basically not implemented. During the "Great Cultural Revolution," the two extreme leftist counterrevolutionary cliques under Lin Biao and Jiang Qing, which described themselves as the "most revolutionary," usurped much of the party's and the state's power. The masses of cadres and intellectuals and the people moaned under their crude feudal, fascist rule. Many leading cadres of the party and the state were criticized, denounced, or even imprisoned. People who resented or disagreed with Lin, Jiang, and their like were persecuted for "spiteful attacks." The latter was even more cruel than those Qing emperors who imprisoned or even executed people for writing on sensitive issues. Under such circumstances, the double hundred policy was discarded and its role as a token of "democracy" and "freedom" was rejected. Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee and the people under its leadership have set things to rights, thoroughly rectified the mistakes made during and before the "Cultural Revolution," made it clear that the focus of the work of the party and the state will be shifted from class struggle to economic construction, abandoned the inappropriate slogan of "take class struggle as the key link" and the practice of starting large-scale political movements without hesitation, and pointed out the need to develop socialist democracy and to perfect the socialist legal system. Thanks to all this, the double hundred policy has been reintroduced and its implementation resumed. However, frankly, because we have not yet clarified all theoretical and practical problems and because of the absence of complete agreement among people on this issue, one cannot say that the implementation of the double hundred policy has been smooth and unobstructed. When we mark the 30th anniversary of the introduction of the double hundred policy, we should give serious thought to this problem.

Not long ago I read some cadres' articles on the double hundred policy. All of them endorse this policy without reservation and they are very unhappy about the setbacks they have suffered in practice. However, they account for our failure in the past to implement the double hundred policy in terms of a failure to draw a clear distinction between academic and political issues. It looks as if we can smoothly implement the double hundred policy so long as we can draw a clear distinction between them. I cannot accept this conclusion. I published an article 2 years ago to present my views, which are quite different from theirs. In fact, this conclusion is neither reasonable nor practical: It cannot help us solve any problems.

First, it is difficult to draw a clear distinction between academic and political issues. The problem would be easier if we confined ourselves to the natural sciences. This is perhaps why the genetics symposium held in Qingdao in August 1956 was considered by various scholars as having set an example in implementing the principle of "letting a hundred schools of thought contend."

However, in the domain of the social sciences, particularly politics, the science of law, sociology, and studies in scientific socialism, it is difficult to draw a clear distinction between academic and political issues. For example, the theory of "innocent until proven guilty" still remains a forbidden area in legal studies. Although this theory has in effect been accepted in the "criminal procedure law" of China, whoever writes on this theory is accused of going counter to the party's and the government's current principle of "dealing heavy blows to" criminal offenders. Is this not an idea being regarded as a political issue? A similar situation exists in the domain of economics. At present the reforms and the four modernizations can be said to be the country's most important political issues. However, if a certain person is accused of "advocating bourgeois liberalization" and "taking the capitalist road," it would be difficult for this person to defend himself. Politics, as its name suggests, is a science whose object of study is political issues. Like some other sciences and disciplines, it is supposed to combine theory with practice. Thus, a student of politics cannot confine himself to discussions on Aristotle. However, I am afraid that one can get into trouble even by discussing the first emperor of Qin or Montesquieu. One who studies the former will be suspected of drawing an offensive analogy and one who studies the latter will be accused of paying tribute to a bourgeois political scientist and of "spreading pollutants on a higher plane." According to the theory that a clear distinction must be drawn between academic and political issues in implementing the double hundred policy, politics must first be cast aside, as it was once a long time ago following the founding of the country. Should this be done, the development of other social sciences will not be smooth. If one always worries about which issues may go beyond academic bounds to become political issues whenever one writes or says something at meetings, he can only "stutter, hesitate," or even "shut up forever." Given all this, the double-hundred policy is nothing but idle talk.

Second, to subscribe to the conclusion that a clear distinction must be drawn between academic and political issues in implementing the double hundred policy is tantamount to accepting or, at least giving tacit approval to, the view that academic issues but not political issues can be discussed. This obviously runs counter to the party's and the government's program for developing socialist democracy and building a highly democratic socialist country. It is clearly stated in our current Constitution that the people are the country's masters, that "all power in the People's Republic of China belong to the people" (Article 2), and that "citizens of the People's Republic of China enjoy freedom of speech, of the press, of association, of procession, and of demonstration." (Article 35) If our citizens do not have the right to express their opinions on political issues, if political issues still remain a forbidden area, if people still warn one another that "careless talk may land one in trouble," and if people still avoid "being punished for being out spoken," how can we call them masters of the country. What "high degree of democracy" is there if there is no idle talk? Of course, this is not intended by our comrades. However, this is precisely the logic behind the issue.

The double hundred policy is a policy by which we practice political democracy in the ideological and cultural domains. Both the positive and negative experience over the past 30 years tells us that this is the only correct policy by which we can develop science and the country's culture. This policy was not implemented in the past basically because there was not enough political democracy. Thus, in solving this problem, the most important thing is to develop socialist democracy and to bring about genuine political democracy, not to cast aside politics or to avoid political interference in academic issues. Of course, the policy of "letting a hundred flowers blossom and a hundred schools of thought contend" is not directly stated in the "Constitution." However, it is implied in it. Article 47 of the "Constitution" unambiguously says that "Citizens of the People's Republic of China have the freedom to engage in scientific research, literary and artistic creation, and other cultural pursuits." So long as the article is implemented, the double hundred policy will naturally be also implemented.

One may ask. If it is said that political issues can be discussed, what if people air counterrevolutionary views? My reply is that one violates the criminal law by airing counterrevolutionary views. One who does this must be punished by the law. This is something outside the bounds of the double-hundred policy. In other words, with the exception of those who, as described in the criminal law, disseminate counterrevolutionary propaganda, incite counterrevolutions, divulge state secrets, spread rumors, vilify others, or damage others' reputations, all views on literary and artistic creation, academic issues, and so on, and their holders, are protected by the law. All citizens have the freedom of creation and academic freedom. This is one of their democratic rights. In addition, they also have the freedom to criticize and counter criticize. This is another of their democratic rights. Differences can only be settled through democratic discussion. One must not resort to suppression or organizational punishment. On 29 December 1984, Comrade Hu Qili delivered a congratulatory speech at the Fourth Congress of the Chinese Writers' Association on behalf of the Secretariat of the CPC Central Committee. In this speech he said: "It is necessary to have a better understanding of the socialist legal system and to adhere to the principle of letting a hundred flowers blossom and a hundred schools of thought contend. The problems and mistakes in literary creation, so long as they do not constitute violation of the law, should be solved and corrected through literary criticism, that is, through criticism, discussion, and debates. It is necessary to ensure that writers being criticized will not be discriminated against politically and that they will not be punished by organizational or other means. Literary criticism should be based on equality and be aimed at helping others. One must neither oversimplify things nor be crude. Criticism should not be 'exaggerated.' One must not freely stick political labels on others but should tolerate criticism." So long as we do this faithfully, we will be able to ensure the implementation of the double hundred policy and problems similar to those we encountered in the past can be easily solved.

Democracy and the legal system are in fact the two sides of a coin. Democracy is the foundation, whereas the legal system provides the guarantee for it. A legal system is the institutionalization and legalization of democracy.

In December 1978, Comrade Deng Xiaoping observed: "To ensure people's democracy, we must strengthen our legal system. Democracy has to be institutionalized and written into law, so as to make sure that institutions and laws do not change whenever the leadership changes." (Deng Xiaoping: "Selected Works," p 136) The double hundred policy was not introduced and implemented by a certain leader acting on his own impulse; nor is it an interim measure. Safeguarded by the Constitution, it is indispensable in the country's democratic system and in the people's democratic rights. In order to rule the country by law, we must rely on the legal system and combat those things which run counter to the double hundred policy, because this is necessary for building a highly civilized and highly democratic modern socialist country and for developing science and the country's culture.

JIEFANG RIBAO HAILS 'DOUBLE HUNDRED' POLICY

OW310427 Shanghai JIEFANG RIBAO in Chinese 27 May 86 p 1

[JIEFANG RIBAO Commentator's article: "To Persist in Reform, It Is Necessary To Uphold the 'Double Hundred' Policy"].

[Text] It has been 30 years since the party Central Committee and Comrade Mao Zedong put forth the policy of "letting a hundred flowers blossom and a hundred schools of thought contend," which provides the fundamental principles for stimulating artistic creation and scientific progress; forms our party's major guidelines on science and art on the basis of objective law; and points out the only way to develop socialist scientific and cultural undertakings. Experience over the past 3 decades has proven that cultural and scientific undertakings will flourish if we uphold and implement the "double hundred" policy, and that their development will be impeded and undermined if the policy is not implemented or effectively implemented. Like the history of building socialism in China, the "double hundred" policy has traversed a tortuous course.

Currently, along with the unfolding of comprehensive reform, there is popular demand for implementing the "double hundred" policy more earnestly. This is an inevitable development of history. Now, a major step has been taken in reform, and it has spread from rural to urban areas and from economic to scientific and technological, educational, military, and political fields in an all-round manner. However, because our reform is a pioneering undertaking and there is neither a ready model to follow nor mature experiences to copy, it is necessary to arduously explore and blaze new paths. Moreover, putting new ideas into practice needs the guidance of theoretical exploration and breakthroughs. Hence, reform calls for cultural advances and demands that our cultural and theoretical workers undertake reform to report on reform and explore its theory. At the same time, reform is a comprehensive social systems engineering project, which should be carried out together with reforms in political, economic, and cultural -- including educational, scientific and technological, and theoretical -- fields. Reform can stimulate scientific and cultural advances which in turn will deepen reform. Reform should not be separated from the guidance of Marxism which develops in the course of reform. In this light, we must uphold the "double hundred" policy in making reforms just as we must persist in developing Marxism.

In implementing the "double hundred" policy in the course of reform, it is necessary, first of all, to create a harmonious atmosphere and environment. Recently, central leading comrades concerned have time and again called for earnestly implementing the "double hundred" policy and creating a harmonious environment and atmosphere of daring to explore new ideas. This is essentially a question of giving expression to democracy, conducting free academic research, and encouraging liberal creation in literature and art. So far, little has been done in this respect. For example, the atmosphere in our academic and theoretical circles is not lively, and except for the economic field, it is quite subdued in other fields. Therefore, it is necessary to give further expression to democracy and create a harmonious atmosphere in academic circles in order to encourage new ideas and views. Comrade Lu Dingyi explicitly pointed out in his 1956 report entitled "Let a Hundred Flowers Blossom and a Hundred Schools Contend": "Our principle of 'letting a hundred flowers blossom and a hundred schools of thought contend' is to advocate freedom of independent thinking; freedom of debate; freedom of creation and criticism; and freedom of expressing, insisting on, and reserving one's own views in literary and artistic work and scientific research." Freedom in these four aspects was labelled as "liberalization" and criticized during the "Cultural Revolution." Practice has proven that the criticism was wrong. Research is a form of creative labor which can be fruitful and can propel advances in science only if it is carried out with independent thinking and free exploration and discussion. How can our culture and art flourish and how can we achieve theoretical and academic advances if all sorts of labels are easily placed on people?

Will promoting freedom of creation and academic studies lead to "bourgeois liberalization"? Here, we must say that "bourgeois liberalization" is a political concept, a high-level political concept, that politically means opposing the Communist Party's leadership and the socialist road. Therefore, the label "bourgeois liberalization" cannot be arbitrarily placed on theoretical and academic studies and on literary and artistic creation. When an author writes a book with some drawbacks, can we say it is a manifestation of "bourgeois liberalization"? Is it "liberalization" when a theoretical worker puts forward a new theory or a new idea different from traditional theories or ideas? We cannot say so. When some comrades have certain inappropriate ideas, we may criticize them and put forward questions for discussion, but we should give them time to understand the questions. If we simply say that they are advocating liberalization, we are making a mistake. We should not rashly use "-ization," for it means something of a thoroughgoing nature, from beginning to end and from inside to outside. In fact, it is unrealistic to demand no mistake in one's speech and writing. Many of our articles that we have collectively discussed over and over again sometimes contain mistakes. Is it practical to expect a theoretical work or a literary and art worker to be free of mistakes? Moreover, sometimes what is believed to be erroneous or an idea regarded as "questionable" is, in reality, not wrong at all but might even be a new development in Marxism! There have been quite a few examples since the 3d Plenary Session of the 11th CPC Central Committee.

To implement the "double hundred" policy, it is necessary to enthusiastically encourage theoretical workers to probe and blaze new trails boldly in undertaking reforms. As for literary and art workers, we should also encourage them to plunge into reforms and turn out in a bold manner new works that reflect the reforms. It should be pointed out that some cultural and theoretical workers have now certainly divorced themselves from reality and are engaged in purely scholastic studies. What is behind this phenomenon? Perhaps it is not quite fair to put the blame entirely on these cultural and theoretical workers themselves. For a long time, under the influence of "left" ideas, we easily labeled and bludgeoned people and mixed academic questions with political issues. When a person expressed an academic idea or wrote an article showing even a slight breakthrough or containing a certain lopsided view or some mistakes, his faults would be seized upon, and he would be given a staggering blow and be included in the list of those to be "investigated" and excluded." Such an environment and atmosphere inevitably obsessed some people with lingering fears. Consequently, they divorced themselves from reality and politics and looked for the "Safest" themes or subjects for study so that they could find a way out of the "crack." This is a major reason for the appearance of purely scholastic studies and the failure of literary and art works to reflect realities in a bold way. Therefore, if we are to change this state of affairs, we should seriously implement the "double hundred" policy. If we do not seriously implement the "double hundred" policy but resort to administrative orders arbitrarily eliminate these cultural and theoretical workers, our efforts will be of no avail, and the problem will not really be resolved.

To put the "double hundred" policy into real practice, it is also necessary to strengthen and improve our leadership. Comrades of our party and government departments in charge of cultural, literary, and art work and those taking care of academic work should have more contacts and exchanges with literary and art workers and theoretical workers so as to enhance their mutual understanding and have more trust in each other. Since we should let a hundred schools of thought contend, what we need is not a solo or a duet involving single academic discipline, a single department, or three or five scholars. Instead, the entire theoretical study contingent should participate in vigorous discussions. The leadership should be adept at giving correct guidance amid vigorous discussions and choosing the right opinions from among a large variety. While letting a hundred schools of thought contend, the leadership should have its own opinion and take part in the contention as one of the "hundred." It should not try to "set the tune with the one beat of the gong" or "amaze the world with a single brilliant feat." It is imperative to uphold the principle that all are equal before truth. In academic contention, leaders, authorities, or theoretical workers should all be subordinate to the truth, and neither their political position nor their popularity should be used as a criterion for judging the right or wrong of an academic opinion. Moreover, leading party and government organizations should not draw academic conclusions or act as judge in academic contention. Owing to the wide scope of knowledge involved, the right or wrong of an academic opinion can only be determined by academic circles through study, practice, and academic discussions.

Academic and theoretical workers should also have the good habit of criticizing and countercriticizing each other. The purpose of "letting a hundred schools of thought contend" is to seek truth by learning from and exchanging views with each other and through deliberations and free discussions. All those participating in the contention should possess the spirit of seeking truth from facts and, with an open mind, take others' opinions into consideration while upholding what they themselves believe to be correct. They should not reject opinions different from theirs, practice sectarianism, or follow what is prevailing and act like a swarm of bees playing the same tune. Academic discussions and theoretical studies are arduous, exploratory work. In doing this work, the leadership and theoretical workers should make joint efforts to investigate truth and subordinate themselves to truth. Among our leading cadres, many are enthusiasts or professional experts in various disciplines. Owing to their relatively high level of theoretical knowledge, their views with regard to certain academic questions can often give people useful enlightenment. For this reason, academic circles should welcome them to participate in the contention and should respect their views and opinions.

Shanghai is a city with relatively developed culture and science and has a lot of cultural, science, and theoretical workers. The cultural, science, and theoretical workers in Shanghai have a very strong voice urging the sustained and steady implementation of the "double hundred" policy. They earnestly hope that under the excellent situation of opening and reforming, this important policy of our party will be implemented in the cultural, science, and theoretical work so as to bring about further development and prosperity of Shanghai's cultural and science work. They can thus make more contributions to building Shanghai into the greatest modern socialist city on the western bank of the Pacific.

HONGQI FORUM DISCUSSES 'DOUBLE HUNDRED' POLICY

HK010418 Beijing XINHUA Hong Kong Service in Chinese 0154 GMT 1 Jun 86

[Text] Beijing, 1 Jun (XINHUA) -- HONGQI Deputy Chief Editor Wang Renzhi said at a recent forum on literature and art that there are at present many differences of opinion over questions of literature and art theory, and all kinds of academic issues can be discussed. "We cannot randomly stick political labels on academic errors; neither can we describe normal academic discussion and criticism as political criticism. Both these things are bad for creating an atmosphere of harmony and concord and for unfolding, contending and blooming."

Wang Renzhi said that China's reforms pose many questions in need of study to literature and art theory workers. These questions need creative exploration. Since this is exploration, a variety of viewpoints and opinions will emerge. Some of these may be based on reality and may accord with and even develop Marxism, while others may be unrealistic and may deviate from Marxism on certain issues. All this is completely normal. As far as differences of opinion are concerned, the truth should be sought through equal discussions and comradely argument, and through setting out the facts and speaking reason.

This literature and art forum was convened by the HONGQI editorial board on 16 May to mark the 30th anniversary of the principle: "Let a hundred flowers blossom and a hundred schools of thought contend."

It was attended by more than 40 literature and art theorists, critics, writers, professors, and editors who were in Beijing. The forum discussed various questions centering on how to implement the "double hundred" principle, the invigoration of literature and art, and literature and art criticism.

Issue No 11 of HONGQI, which is published today, carries an article entitled "Implement the 'Double Hundred' Principle, Develop Literature and Art Theory," which deals with the discussions held at the forum.

The article says that a considerable number of participants in the forum held that the key to implementing the "double hundred" principle lies more in the leadership. The obstacles encountered in carrying out the "double hundred" principle often come not from ordinary theory workers; it is the attitude of the leaders that plays the decisive role. Leaders of literature and art work should create conditions for practicing the "double hundred" principle, mainly by actively creating an atmosphere of stability, harmony, concord, and relaxation. Questions of right or wrong in literature and art theory and creation should be dealt with by exploration and contending and blooming in literature and art circles, and the leaders should not issue conclusions; otherwise the normal unfolding of discussions will be hampered.

The participants in the forum expressed different views regarding the article published by Chen Yong in issue No 8 of HONGQI criticizing the literature and art viewpoint of Liu Zaifu. Some speakers held that there were points in the entire critical approach of Chen's article that were open to discussion; for instance, he held that Liu Ziafu's viewpoint was an issue related to the fate of Marxism in China and to the fate of socialism in China. Such a conclusion is excessive and the attitude is far from mild. In comparison, although Chen's viewpoint is clear-cut, there are gaps in it, and he lacks a sense of the age. Although Liu Zaifu's viewpoint is one-sided, it possesses creative spirit. Some of the speakers held that although Yong's article points out that certain viewpoints of Liu Zaifu are not in accord with Marxist theory, this remains a matter within the scope of the theoretical and academic fields, and he has by no means issued a political conclusion. The speakers said that it is very necessary to hold frank and sincere discussions over major issue of literature and art theory. They hoped that the discussion could continue.

Some of the participants in the forum held that it is essential to stress equality of status in the course of contending and blooming. On theoretical and academic issues, no one has a special right to forbid others from criticizing, and counter-criticism of all criticisms is allowed.

VETERAN WRITERS DISCUSS 'DOUBLE HUNDRED' POLICY

HK300834 Beijing RENMIN RIBAO in Chinese 26 May 86 p 7

[Report by reporter Shu Zhan: "Old Writers Discuss the 'Double Hundred' Policy at Forum Sponsored by RENMIN RIBAO Literature and Art Department" -- a shorter version of the article appears in the 28 May RENMIN RIBAO OVERSEAS EDITION. Capitalized passages are those which appear in that version]

[Text] MAY 1986 MARKS THE 30TH ANNIVERSARY OF THE CPC'S PROPOSAL OF THE PRINCIPLE OF "LETTING A HUNDRED FLOWERS BLOSSOM, LETTING A HUNDRED SCHOOLS OF THOUGHT CONTEND."

SOON THIS PAPER WILL ALSO MARK THE 30TH ANNIVERSARY OF ITS LAYOUT REVISION THAT TOOK PLACE IN JULY 1956. THE PAPER'S LITERATURE AND ART DEPARTMENT INVITED SOME COMRADES IN BEIJING TO A FORUM, TO DISCUSS THE PRINCIPLE OF "LETTING A HUNDRED FLOWERS BLOSSOM, LETTING A HUNDRED SCHOOLS OF THOUGHT CONTEND" ON 14 MAY. PARTICIPATING IN THE FORUM WERE VETERAN WRITERS, WHO HAVE FOR MANY YEARS SUPPORTED OUR PAPER, INCLUDING LI RUI, LIN LIN, ZHENG YANXIU, YAN WENJING, XIAO QIAN, FENG YIDAI, GE YANG, SHY WU, DAI WENBAO, MAO SHUYAN, HUANG ZHONGJIANG, YU HAOCHENG, LI GUOWEN, LIU ZHENG, SHAO YANXIANG, LIN WENSHAN, JIAO YONGFU, LIU YING, AND CHEN XIAOCHUAN.

First the participants of the forum cherished their memory of Comrades Deng Tuo and Lin Danqiu, who took an active part in implementing the "double hundred" principle and were in charge of revising the layout of RENMEN RIBAO 30 years ago, and such old essayists Feng Xuefeng, Shao Quanlin, Wu Han, Meng Chaoa, Xu Maoyong, Wang Renshu, and Chen Xiaoyu, who were all hounded to death during the 10 years of turmoil. They regarded them as vanguards in the implementation of the double hundred principle. They said that they would prize the double hundred principle that the Chinese people have paid so dearly to obtain the implementation of, and they solemnly reviewed the process of its implementation since the 3d Plenary Session of the 11th CPC Central Committee.

THE COMRADES WHO TOOK PART IN THE MEETING SAID THAT THE DOUBLE HUNDRED PRINCIPLE WAS CLOSELY RELATED TO OUR COUNTRY'S POLITICAL DEMOCRACY, AND WAS A BASIC STATE POLICY FOR OUR COUNTRY; THEREFORE, WE HAD TO TURN IT INTO A LAW AND A REGULATION. OUR COUNTRY SHOULD NOT BE RULED BY HUMAN FACTORS, MAKING PEOPLE ACT IN THE LIGHT OF WHAT A LEADER LIKES OR DISLIKES AND ALLOWS OR DISALLOWS. WE SHOULD NO LONGER ALLOW THE PRACTICE OF REGARDING WHAT A MAN IN POWER BELIEVES IN AS THE TRUTH! OTHERWISE, IT WILL BE IMPOSSIBLE TO REMOVE LINGERING FEARS AND NO ONE WILL DARE TO AIR HIS VIEW. IN THE PAST, WE OFTEN SAID THAT WE HAD TO DRAW A DEMARCATION LINE BETWEEN POLITICAL AND ACADEMIC DISCUSSIONS. IT SEEMED THAT FREEDOM WAS ALLOWED IN ACADEMIC DISCUSSIONS BUT NOT IN DISCUSSIONS RELATED TO POLITICS. THIS VIEW WAS NEITHER SCIENTIFIC NOR ACCURATE. HOW CAN ACADEMIC DISCUSSIONS IN THE BRANCHES OR SCIENCE SUCH AS POLITICS, LAW, SCIENTIFIC SOCIALISM, SOCIAL PSYCHOLOGY, SOCIOLOGY, PHILOSOPHY, AND HISTORY DISPENSE WITH DISCUSSIONS RELATED TO THE POLITICS IN HISTORY AND IN OUR TIMES? OUR INTELLECTUALS WHO ARE MASTERS OF OUR COUNTRY AND A PART OF THE WORKING CLASS, WERE ONLY ALLOWED TO CARRY OUT ACADEMIC DISCUSSIONS AND FORBIDDEN TO DISCUSS POLITICS. IS THIS NOT A PRACTICE OF PUTTING THE CART BEFORE THE HORSE? AS A MATTER OF FACT, SESSIONS OF PEOPLE'S CONGRESSES AND CPPCC COMMITTEES AND VARIOUS GET-TOGETHERS AND DISCUSSION MEETINGS HAVE ALL BEEN DISCUSSING POLITICS. SOLICITING PEOPLE'S VIEWS EVERYWHERE AND MAKING PEOPLE THINK FREELY WILL BE VERY GOOD FOR THE FOUR MODERNIZATIONS. OF COURSE, THERE IS A DEMARCATION LINE, THAT IS, WHETHER ONE VIOLATES OUR CONSTITUTION AND CRIMINAL LAW AND WHETHER HE VIOLATES THE FOUR BASIC PRINCIPLES.

THE PARTICIPANTS IN THE FORUM HELD: THE DOUBLE HUNDRED PRINCIPLE IS ALSO A FUNDAMENTAL PRINCIPLE FOR DEVELOPING MARXISM-LENINISM, BUILDING A SOCIALISM WITH CHINESE CHARACTERISTICS, AND RAISING OUR PEOPLE'S SCIENTIFIC AND CULTURAL LEVEL.

JUDGING BY THE HISTORY OF THE TREMENDOUS DEVELOPMENT OF PRODUCTIVE FORCES IN MAJOR HISTORICAL PERIODS SUCH AS THE SPRING AND AUTUMN AND WARRING STATES PERIODS IN OUR COUNTRY, THE RENAISSANCE IN EUROPE, AND THE FRENCH REVOLUTION, FREEDOM OF SPEECH, AND IDEOLOGICAL AND CULTURAL MOVEMENTS PRECEDED THEM. THEREFORE, IN BOTH SCIENTIFIC AND LITERARY AND ART SPHERES, WE SHOULD ENCOURAGE AND PROTECT THE BRAVE EXPLORATION OF THOUSANDS OF PEOPLE OF INSIGHT. WE SHOULD SWITCH FROM THE PRACTICE OF "SHOOTING THE BIRD THAT IS IN THE LIMELIGHT" TO THE PRACTICE OF PROTECTING THE "BIRD THAT IS IN THE LIMELIGHT." A FEW YEARS AGO, COMRADE HU YAOBANG SERIOUSLY, SINCERELY AND PATIENTLY CRITICIZED BY ARGUMENT AND REASONING PLAYS SUCH AS "IF I REALLY AM WHAT I PRETEND TO BE," AND THUS SET AN EXAMPLE IN ACTUALLY IMPLEMENTING THE DOUBLE HUNDRED PRINCIPLE. THIS SHOWS HIS MAGNANIMITY AND ASPIRATION AS A PROLETARIAN STATESMAN.

The participants earnestly held: It is still necessary to vigorously publicize the double hundred principle in order to make everyone understand it profoundly. We should popularize the double hundred principle, as we have been doing legal knowledge, among leading cadres at all levels, the comrades doing ideological work, the comrades in cultural departments and the people all over our country, and enable them, along with scientists and writers and artists, to emancipate their minds from the fetters of feudal ideology, the ultraleftist tide of thought, bourgeois ideology, and the force of habit of small-scale production. While building our material civilization, we should heighten our people's scientific and cultural level. Only by doing the above can we thoroughly solve the problems related to the construction of our spiritual civilization. Popularization does not mean idle talk; cheering does not mean shouting emptily, to-the-point discussion does not mean talking about principles in generalities.

Many participating comrades were erroneously taken as rightists in 1957 because of their works. They were imbued with deep feeling with recalling the past. Among the participants, one aged comrade said: The road of carrying out the double hundred principle was full of bumps and hollows. In 1957, I never thought that I would become the one who filled these bumps and hollows. Now, following the 3d Plenary Session of the 11th CPC Central Committee, the work of carrying out the double hundred principle has scored more and more achievements. It is indeed the best period of the state. But there will still be ups and downs, and I am prepared to again become the one who fills the bumps and hollows.

At the forum, the participants talked cheerfully and humorously. They exchanged views freely and it was a lively discussion. An old writer who attended the layout revision forum chaired by Deng Tuo 30 years ago said: The comprehensiveness and depth of issues discussed by this forum, as well as the atmosphere of this forum, have shown the ideological maturity of the survivors and successors after we paid an enormous price for what we did. At the closing session, the participants optimistically held: We must have a mentality of never fearing. This is to have faith in the line of the 3d Plenary Session of the 11th CPC Central Committee and in the CPC Central Committee, as well as to affirm in the most practical way this, the best period since the founding of the state.

RENMIN RIBAO ON COMMODITY, SPECIALIST ECONOMIES

HK300155 Beijing RENMIN RIBAO in Chinese 23 May 86 p 5

[Article by He Jianzhang: "The Commodity Economy: a Stage Not To Be Overstepped in Social Economic Development"]

[Text] The Commodity Economy Not the Monopoly of Capitalism

For a long period of time, there has circulated the traditional concept in socialist economic theory that the socialist economy cannot mix with the commodity economy'. After the party's decision to reform the economic system and the gradual application of the market mechanism and especially after the adoption of the decision on economic reform at the 3d Plenary Session of the 12th CPC Central Committee in which it was clearly pointed out that the socialist economy is a planned commodity economy based on public ownership, some people still wonder whether this means giving up the socialist direction and introducing a capitalist market economy. This shows that some people mentally still treat the commodity economy as a monopoly of capitalism and something incompatible with socialism. Actually, this is lumping together things in two different categories, thus causing confusion where awareness is required.

It is common knowledge that social patterns are defined according to the means of production possessed. Human society has undergone five social patterns. The commodity economy is not one of them. It is instead a form of economic links between people and is in a category that is the opposite of a self-sufficient natural economy of a sealed nature. So far, human society has gone through two stages -- the natural economy and the commodity economy. In the natural economy, there is no social division of labor. People produce everything they need. There is not the relationship of an exchange of products taking place between producers. The commodity economy is based on the social division of labor. Producers separately take up the production of certain products. To satisfy each other's needs in various fields, producers mutually exchange the products of their own labor. The commodity economy sprouted toward the end of the primitive commune system and showed development in slave society and feudal society. But given these social patterns, the commodity economy did not thrive, with the natural economy dominating. Only in capitalist society does the commodity economy permeate through every field and become a common overwhelming way of production and exchange.

In socialist society, commodity production and commodity exchange still widely exist. The socialist economy is not the natural economy but the commodity economy. This is due to not only the more developed way of social division of labor in socialist society but also due to the existence in socialist society of different owners of the means of production and products. Even between state enterprises owned by all the people with the means of production belonging to the same owner, there also exist relations between commodities and currency. This is because in a socialist society's labor, there still exist fundamental differences. Labor is still an individual's means of making a living. Material concern shown by laborers or integrated enterprises as laborers over the results of their own labor is the driving force of social production.

Economic ties between state enterprises arising therefrom cannot be without compensation and must be guided by the principle of exchange of equal values inherent in the commodity economy. They still have the attributes of a commodity economy. But for a fairly long period of time, people have been debating endlessly about whether the commodity economy exists in socialism. Now a definite answer has been provided by practice.

Conditions above show that the life of the commodity economy is incomparably longer than that of capitalism. It arose several thousand years earlier than capitalism. It still lasts in socialist society after capitalism. The commodity economy is a phenomenon shared by many social patterns. It is not a characteristic of a given social pattern. On this problem, Marx said very clearly: "The two phenomena of commodity production and commodity circulation are shared by many methods of production, though different in scope and importance. Therefore, if we must recognize the abstract category of commodity circulation shared by them, we cannot have any understanding of the features of these methods of production. Nor can we arrive at any judgment." (Das Kapital, Vol 1, p 107, a 1956 edition by the People's Publishing House). On the contrary, as far as the character of the commodity economy under different social patterns is concerned, it is determined by the relevant dominating method of production under a given social pattern and chiefly by the system of ownership of the means of production inherent in that social pattern. A simple commodity economy reflects the relations of supplying each other's needs among independent producers possessing the means of production.

A capitalist commodity economy chiefly reflects the relations of the exploiter between the bourgeoisie possessing the means of production and the penniless proletariat. The socialist commodity economy (chiefly meaning the relation of commodities and currency in the economy with the system of ownership by all the people predominating reflects the relations of a division of labor and coordination between integrated laborers, who jointly possess the means of production but with differences in material interests. In sum, there is not the least justification for the practice of indiscriminately lumping together the different character of a commodity economy under different social patterns and especially equating the commodity economy with the capitalist economy.

Two Economic Concepts and Two Economic System Patterns

Under the guidance of the traditional concept about the socialist economy being incompatible with the commodity economy, many socialist states in the past consciously or unconsciously took the concept of the natural economy as a guide and formulated their own system for economic management. The features of such a system are: ruling out the circulation of commodities, refusing to use the market mechanism, negating the regulating role of the law of value, purely relying on administrative means, and carrying out economic management through the means of distributing material goods. The common argument was that the whole socialist economy is like a big factory, various enterprises being shops in it with only the relations of technical division of labor between them, and no relations of commodities and currency involved. Production assignments for enterprises come direct from the state. All the means of production are directly provided by the state. The products turned out are directly distributed by the state. For products handled under state plans, prices are also worked out and accounts kept. But this is only to figure out social labor consumption.

It has nothing to do with market needs and the relations between supply and demand. Nor does it concern the material interests of enterprises and workers. Enterprises are under unified financial control where receipts and expenditures are concerned. All profits are handed over to the higher levels. Appropriations for expenditure come from the state. All workers get paid for their labor according to unified work categories and wage standards. An enterprise's profits or losses make no difference. A worker's good or bad performance means the same thing. This is a system of distributing material things and sharing equally in the same rice pot. This is actually an economic system based on the pattern of a self-sufficient small-production natural economy. It is nothing but an extension of the operation pattern of small producers to all society. This highly concentrated management system of a material economy (natural economy) has no regard for differences in material interests between laborers and between enterprises under social mass production conditions and seriously suppresses their enthusiasm for production and operation, causing a reduction in efficiency. It disregards the role of the market and the law of value and pays no attention to economic results, thus causing an imbalance between supply and demand and a lack of balance in other fields. Facts show that if not reformed, this system holds out no future.

Since the commodity economy is a stage not to be overstepped in social economic development and since we are now still in this stage, then the basic direction of reform must be compatible with the demands of the full development of the commodity economy. It calls for resolutely reforming all management systems incompatible with such demands established under the influence of the concept of the natural economy and all relevant regulations and systems. In the past few years, we have actually acted in this way. First, we have recognized the independent economic interests of laborers and their integrated operations (enterprises) and enlarged the decision-making power of enterprises, enabling them to gradually become in reality relatively independent economic entities and socialist commodity producers and operators who operate on their own and who are responsible for their own profits and losses. In enterprises, we have introduced different versions of the economic responsibility system. Second, we have further developed the market for socialist commodities and gradually perfected the market system. In the process of reforming our economic system, we have gradually dropped the unified purchase and marketing system for industrial products of daily use and the system of planned state purchases and fixed purchase quotas for agricultural and sideline products.

We have made a break with boundaries between administrative divisions and between ownership systems adopting various flexible purchase and marketing practices, such as planned purchase, placing orders for purchases, making purchases on a selective basis, effecting sales on others' behalf, self involvement in marketing, transportation of goods long distance for sale on a collective or individual basis, and so forth. The purchase and sale of other means of production and means of subsistence are also liberalized wherever possible. In the past few years, our money market has also shown certain progress. Putting together funds for joint operations, raising funds from among the masses, using commercial credit facilities, and various other ways of directly obtaining funds have been successively introduced.

Various financial instruments, such as state treasury notes, bills, stocks, bonds, mortgage papers, and so forth, have successively surfaced. This has played a positive role in stimulating the accumulation of social funds and their effective use. During the period of the Sixth 5-Year Plan, there also appeared a market for technology and for labor in its initial stage. To develop and perfect the market system, we have in the past few years also readjusted the pricing system and reformed the price control system. We have initially readjusted the extremely irrational prices of certain products and relevant price ratios and properly delegated power in the matter of price setting. We have also made a change from the system calling for planned prices alone to a variety of pricing patterns ranging from planned prices to floating prices, negotiated prices, free prices, and so forth.

In perfecting the socialist market system, we must also seriously study and borrow the advanced experiences of various countries in the world, including capitalist developed countries. As mentioned above, the commodity economy is not the monopoly of capitalism and is instead a product of the development of the social division of labor and social mass production. The thriving capitalist commodity economy and market system have played an important role in stimulating the development of the capitalist economy. Management experiences about the capitalist commodity market, money market, technology market and labor market not only have capitalist features but also reflect in many respects the common laws governing the commodity economy. They represent the common wealth of mankind. We cannot refuse to draw on these management methods just because they have been used by the bourgeoisie. Of course, under capitalist conditions, these management methods have bourgeois features. For example, apart from meeting the necessary needs of society, the capitalist commodity market also tries by every means to satisfy the demands of hackneyed bourgeois life. Apart from being able to pool funds and supply needed funds in a relatively flexible way, the capitalist money market partakes of a highly speculative nature. The capitalist labor market suits the need for mobile labor arising from constant changes in the industrial structure under mass production conditions. Meanwhile, it is also a place where trading in labor takes place. Great pressure on hired laborers has always been maintained. The capitalist relations of exploitation are reflected. Therefore, in drawing on these experiences, we should make a careful analysis or study. Certain useful experiences must be absorbed and put to use. They must be linked with our country's concrete conditions in gradually establishing a socialist market system with Chinese features.

The socialist commodity economy has public ownership as its basis. This dictates that its development be subordinated to fundamental socialist economic laws and the need for the proportionate development of the national economy. In other words, its development must be conducive to the development of social productivity and helpful in satisfying the ever growing material and cultural needs of all society and its members and be controlled by macro plans. This is fundamentally different from the capitalist commodity economy governed by competition and the anarchy in production with the pursuit of maximum profits as its goal. The socialist commodity market is not all-inclusive. Under socialist conditions, all state enterprises and resources, such as land, mines, banks, railroads, and so forth, are not commodities.

As a component of the socialist economy, the money market has its source of funds limited to idle money temporarily put aside as income by enterprises and residents. This kind of income is part of the production and operating results of enterprises as laborers' integrated operations and is pay for work according to the principle of distribution according to work. The interest or dividend payment on it is also a kind of compensation of reward for an accumulation of past work.

Under socialist conditions, there is no toleration for the emergence of a class living off profit or interest -- people who rely on money as capital to trade on the long or short side of the money market manipulating things and who rely on cutting out dividends to lead a parasite's life. The socialist labor market allows enterprises to select and employ the best of workers. Workers also have the freedom to choose the kind of work they like. But this does not take the shape of a reserve force for an industry to force down the wages of workers on the job. Instead, it is a way to guarantee the rational circulation and rational use of workers and realize the aim for workers to choose the kind of work they like as masters of socialist society. Under the socialist system, the state has the obligation to guarantee employment for workers. A worker's average pay gradually rises with the rise in social labor productivity. What determines the difference in pay is the principle of distribution according to work and not the value of labor and the demand-and-supply situation in the labor market. In sum, the socialist market system has many areas in common with the capitalist market system in form. This is determined by the existence of the commodity economy in both socialist society and capitalist society. Meanwhile, there are fundamental differences between them. This is determined by the difference between socialist society with its system of public ownership of the means of production and capitalism with its system of private ownership. Those people who worry that taking certain aspects of the capitalist market system as a basis for reference will lead to blurring and obliterating the line of division between socialism and capitalism fail to make a distinction between form and content. They are therefore incorrect in their views.

In line with the effort to gradually establish and perfect the socialist market system, we must gradually establish a new macroeconomic management system. The state's control of social economic activity must undergo a gradual transition from the emphasis on sole reliance upon administrative means to exercise direct control to an emphasis on reliance upon economic means to exercise indirect control. The state must still formulate plans for national economic and social development as a main basis for objectively guiding and controlling harmonious economic and social development. But in realizing state plans, we no longer mainly rely upon mandatory production and distribution targets and instead mainly rely on applying economic policies and such economic levers as pricing, taxation, credit, interest rates, exchange rates, wages, and so forth to effect macroeconomic control and regulation in an overall manner. A new problem confronting us is to learn how to skillfully apply these economic levers, in order to facilitate a smooth switchover from the old to the new system.

RENMIN RIBAO URGES COOPERATION AMONG ENTERPRISES

HK240758 Beijing RENMIN RIBAO in Chinese 17 May 86 p 2

[Commentator's article: "We Want Association, Not Joining Together by Arm Twisting"]

[Text] In developing economic association among industrial enterprises, we should not rig them up by administrative means. This question calls for our attention in the current drive to promote lateral economic association, which is now in the ascendant. Experience has demonstrated that "enterprise groups" like the Luoyang bearings industrial amalgamated company which have been reluctantly rigged up with the administrative interference of the higher authorities do not have internal economic connections and cannot develop professional cooperation. Such enterprise groups do not benefit the development of productive forces.

In promoting lateral economic association, we must meet the needs of national economic development and of different enterprises and satisfy the needs of developing the socialist commodity economy. Only in such a way can amalgamated enterprises yield satisfactory economic results. Enterprises amalgamated by administrative arm twisting only meet the needs of regional or departmental administration; they actually protect the interests of departments and regions under the guise of lateral economic association. This goes counter to the orientation of reform.

In amalgamating with each other, enterprises must be bonded by internal economic ties. Only by adhering to the principle of "voluntariness, equality, and mutual benefit" will such amalgamation be satisfactory.

Enterprises must be amalgamated voluntarily. To amalgamate with other enterprises, an enterprise must think it over again and again and fully respect the objective economic law. This is an important decision-making power in the hands of an enterprise in business operations. To amalgamate with other enterprises, an enterprise must make in-depth studies of the cost of cooperation, product quality, the cycle of goods supply, and the transport capacity of its counterparts from economic and technological angles. Only by so doing will it be able to find its best partnership over the whole country (even in a wider range) to display overall economic superiority and to achieve the desired economic results.

Enterprises must be amalgamated on equal footing. An amalgamated enterprise acts as an independent accounting unit with rights and duties and is responsible for its own profit and loss; it is held responsible for the overall economic results and its own economic results achieved in cooperative production. Therefore, it is not permissible for one side of an enterprise group to impose "unequal treaties" on the other side, nor is it permissible for administrative organs that have nothing to do with the enterprise group to override enterprises and to unreasonably interfere in their business.

Enterprises must be amalgamated on the basis of mutual benefit. Firm and harmonious amalgamation of enterprises cannot be achieved unless they really need each other and they are bound by a common goal. Each must demonstrate its own strong point and keep clear of its weak points so as to complement one another and improve overall economic results. At the same time, interests must be distributed on a reasonable basis so that every individual unit can benefit from lateral economic association.

Because no clear distinction was drawn between the functions of the government and the enterprises for a long time, administrative departments are used to ordering about enterprises at will. When developing lateral economic association, some areas and departments continue to use their old methods to interfere in enterprise amalgamation by administrative means. This reminds us that departments responsible for enterprises must vigorously publicize the significance of lateral economic association, formulate and readjust relevant policies, reform superstructure and production relations that hamper such association, and provide enterprises with relevant information so as to guide and help enterprises to be amalgamated on a lateral economic basis.

BO YIBO ADDRESSES HENAN PROVINCIAL MEETING

HK221558 Zhengzhou Henan Provincial Service in Mandarin 1130 GMT 21 May 86

[Text] This morning, at the meeting of the principal responsible comrades of all departments and commissions of the Henan Provincial CPC Committee and the party groups and CPC committees of all units at the provincial level and above, Bo Yibo, permanent vice chairman of the Central Advisory Commission, delivered an important speech on the issues of reform, party rectification, rectification of incorrect work style, and unity of the leadership groups.

Comrade Bo Yibo said: Henan's rural reform has started early and great achievements have been scored. This province has changed from a province to which grain was allotted to a province which is sending grain out. It has a large population but can solve the problem of grain. This is the result of the efforts of all previous terms of the Henan CPC Committee and of the comrades. In urban reform, although there are more difficulties, achievements in reform have still been scored.

Comrade Bo Yibo said: In the Seventh 5-Year Plan, reform is the center. Reform can promote the backward. Reform must succeed and will surely succeed. All of us must clearly understand this problem ideologically. When people have confidence, they have energy. Confidence comes from the unification of thinking.

Comrade Bo Yibo pointed out: We must understand that reform is a great revolution. When we wage revolution, we must take risks. We must not be panic-stricken when risks arise. We must strengthen party leadership and demand that every party member be able to enhance his party spirit and have his own style as a communist party member. Without several tens of millions of willing pioneers, reform cannot succeed.

Comrade Bo Yibo stressed: Leadership groups must unite, establish new work styles, regard the past historical problems as a product of the special historical conditions, and unite but not split. Veteran comrades must set an example, support the new groups to ensure stability and unity, and not interfere with the work of the new groups. The comrades of the new groups must respect the veteran comrades. People inside and outside the leadership groups must act in accordance with the principles of the party. All of us are Communist Party members, who hail from all corners of the country and struggle hard for a common objective; we must take the overall situation into consideration, lay stress on unity and practical results, and emulate each other in contributions.

While in Zhengzhou, Comrade Bo Yibo went to the Zhengzhou Electric Wire and Cable Factory and the Zhengzhou Second Grinding Wheel Plant to conduct investigation and study.

CENTRAL LEADERS VISIT GRASS ROOTS, IMPROVE STYLE

OW240334 Beijng XINHUA Domestic Service in Chinese 0641 GMT 22 May 86

[Excerpts] Beijing, 22 May (XINHUA) -- Since the convocation of central organ cadre meetings earlier this year, central government functionaries, party members who are leading cadres in particular, have gone down to the grass roots to perform solid work, thereby achieving a marked improvement in work style.

Leading cadres of some central government departments have taken the lead to go deep into the frontlines of production or operation. In the first quarter of the year, Yang Yichen, procurator general of the Supreme People's Procuratorate, joined 90 cadres from the procuratorate on separate fact-finding tours of Shanxi, Guangdong, Fujian, and Sichuan to help handle major and serious cases and give advice regarding the application of policy in processing cases. Yu Hongen, minister of coal industry, visited the grass roots for a total of some 30 days in the first quarter of the year, during which time he went down to the shaft 7 times. Huang Yujun, vice president of the Industrial and Commercial Bank of China, made a trip to Fujian to familiarize himself with the work of industrial and commercial banks there. During the trip, which went from northern to southern Fujian and lasted almost a month, he visited a dozen cities and counties, called on grass roots cadres working on the frontline of operation in remote mountainous areas, and attended over 20 forums.

In the course of rectifying party style, some central government organs have paid close attention to improving work style and overcoming bureaucracy in order to better serve the grass roots. The Ministry of Astronautics Industry, earnestly summing up experience and lessons drawn from the previous work in a determined effort to eliminate bureaucracy and improve office work style, successively organized 5 investigation groups to examine management and operation at selected points, 6 work teams to implement the ministry work meetings' decisions, and 5 political and ideological work inspection teams during the first quarter of the year. Led by ministry- or bureau-level leaders, or leaders of the political department, the groups or teams went deep into the reality to obtain first-hand information concerning the situation and to hold temporary offices on the spot, thereby solving quite a few practical problems. Led by Minister He Kang, some 300 cadres of the Ministry of Agriculture, Animal Husbandry, and Fishery, including 3 vice ministers, 2 advisers, and scores of department or bureau level cadres, visited over 1,000 grass roots units and farm households in 300 counties in 26 provinces and autonomous regions throughout the country. They prepared over 390 documents to promote implementation of the central authorities' 1986 No 1 Document, thereby providing the basis for making macroeconomic policy decisions on the current rural situation for the ministry and higher authorities.

During fact-finding trips to the grass-roots, leading cadres of some central government organs were praised by the masses of people for setting strict demands on themselves and preserving and carrying forward the fine tradition of building the country through thrift and hard work. Minister of Metallurgical Industry Qi Yuanjing, while setting up temporary offices at some enterprises in Nei Monggol, stayed at the Bactou Iron and Steel Company's reception center instead of an expensive guesthouse, and turned down local leaders' welcoming and farewell dinners for him.

During his 5-day temporary visit, he joined local departments concerned in helping these enterprises resolve a number of important questions. Minister of Electronics Industry Li Tieying, while inspecting ministry affiliated plants on the eastern suburbs of Beijing Municipality, insisted on riding the same bus and dining together with other ministry cadres.

DENG LIQUN ON PRESERVATION OF FOLK CULTURE

OW270127 Beijing XINHUA Domestic Service in Chinese 1225 GMT 26 May 86

[By reporter Yin Hongzu]

[Excerpts] Beijing, 26 May (XINHUA) -- Over 100 experts, scholars, and noted folklorists from Beijing and other parts of the country met at the Great Hall of the People this morning to discuss preservation of Chinese folk culture.

Deng Liqun, Ngapoi Ngawang Jigme, Zhou Gucheng, Qian Changzhao, and leading comrades of relevant departments attended the meeting to listen to the opinions and proposals of the experts and scholars.

Addressing the meeting, Deng Liqun said: To rejuvenate China and carry out socialist modernization, we must make special efforts to promote a national spirit inseparable from the influence of China's folk culture. Deng Liqun hoped that a good job would be done in collecting, compiling, preserving, researching, and fostering folk culture so that people will have a better understanding of China's age-old folk culture, develop a deeper affection for the nation, and become more aware of the need of rejuvenate the country.

In his speech, Zhou Gucheng urged people of all walks of life to work hard to achieve even greater successes in preserving and studying Chinese folk culture.

The experts and scholars pointed out at the meeting that folk culture creators and propagators of all nationalities, including folksong singers, folklore tellers, and folk artists should be respected and protected, their copyrights should be respected, and their livelihood should be taken care of.

DENG LIQUN COMMENDS BEIJING 'PARENTS' SCHOOLS'

OW241655 Beijing XINHUA in English 1534 GMT 24 May 86

[Text] Beijing, May 24 (XINHUA) -- What should you do when your child is found telling lies? What is to be done when your child plays for hours in the streets after school, instead of going home? How do you help your daughter overcome her shyness and anxiety when she begins having periods?

If you are a parent in Beijing, you can count on one of the 500 "schools" specially set up for parents to find answers to such questions, according to education officials here today.

"Parents' schools" are actually sparetime classes for parents of primary or junior middle school pupils. Courses offered include education science and child psychology and hygiene. Such schools also provide opportunities for parents to share their experience in educating their children.

At a meeting today to commend 31 "parents' schools", Deng Liqun, member of the Chinese Communist Party Central Committee Secretariat, called on all primary and middle schools in the Chinese capital to set up classes for the parents of their students.

"It is important to the state, society and families to help all parents understand how to help their children develop properly," he said, "now that the country pursues a one-child family policy for most urban residents."

In Beijing, as elsewhere in China, many parents tend to spoil their only children. The other extreme is that they set too high a demand on their children, often resorting to beating and scolding in order to make them study hard. "It is justified for parents to hope that their children would become somebody when they have grown up," said Deng Liqun. Therefore, it is all the more important for parents to learn the correct way of educating their children.

A 10-year-old primary school girl wrote a letter to a boy, saying that she had fallen in love with him. Her father saw the letter by chance before it was mailed, and got into rage. Fortunately, the father was cool-headed enough to consult his "parents' school". A couple of days later, he talked to the girl on the necessity of making friends with all her classmates -- boys and girls alike. And the girl finally was persuaded into handing over the letter to her teacher.

"But for the 'school', I would have beaten her," said Gao Futong, an engineer in a designing institute, in an interview with XINHUA.

DENG LIQUN ATTENDS BEIJING CHORUS PERFORMANCE

OW262325 Beijing XINHUA Domestic Service in Chinese 1417 GMT 25 May 86

[By reporter Zhou Peiyan]

[Excerpts] Beijing, 25 May (XINHUA) -- Twenty-five members of a chorus team, who attended and won a gold medal at the Sixth World Youth Festival 30 years ago, staged a performance at the Beijing Music hall this evening. These veteran chorus team members in their fifties received a standing ovation from over 1,000 persons in audience. Deng Liqun, Wang Renzhong, Zhu Houze, Wang Meng, Li Ying, Zhou Weizhi, Li Huanzhi, and Cheng Siyuan attended the performance.

DENG LIQUN, HAO JIANXIU MEET REPORTING GROUP

OW231251 Beijing XINHUA Domestic Service in Chinese 1515 GMT 21 May 86

[By reporters Li Shangzhi and Zhang Sutang]

[Excerpts] Beijing, 21 May (XINHUA) -- Deng Liqun and Hao Jianxiu, members of the Secretariat of the CPC Central Committee, met the Reporting Group on the Deeds of Comrade Xiaong Yuanqi, an Outstanding Political Work Cadre, in the Huairan Hall at Zhongnanhai this afternoon. They pointed out that ideological and political work should be further stepped up in the new period when we are promoting socialist civilization both materially and spiritually. In this respect, Comrade Xiaong Yuanqi had set an example for all political work cadres and all leading cadres of the party at various levels. They expressed gratitude on behalf of the party Central Committee to the Jiangnan Oilfield for having produced such an outstanding party member as Xiong Yuanqi.

Deng Liqun said: Our political cadres must also become familiar with vocational work, because one cannot be a good political work cadre if all he can do is talk. They should emulate Xiong Yuanqi in displaying a spirit of self-confidence, self-improvement, and self-respect in order to boldly create a new situation of ideological and political work. More importantly, they should learn from him by showing the spirit of self-sacrifice, plunging themselves body and mind into the cause of serving the people.

Deng Liqun said: The oil industry front has a fine tradition of carrying out ideological and political work and the work done by the party organizations and workers of the Daqing Oilfield has been the most outstanding. The advanced deeds of Comrade Xiong Yuanqi need to be still more extensively and thoroughly publicized. Various forms and methods of propagation should be adopted to publicize this fine example among those doing ideological and political work. We must use reasoning to convince people, use facts to educate people, and use images to move people when doing the publicizing. He said: We are in an era of rich and colorful life and there is an endless stream of advanced personages. There is plenty for writers, artists, and propaganda workers to do.

Hao Jianxiu said: Comrade Xiong Yuanqi was worthy of being an outstanding party member and political work cadre brought up by our party. His deeds, showing how determined he was to become an engineer of ideological and political work, are touching to hear. At present it is particularly important for us to step up our efforts in this respect. We hope that hundreds and thousands of political work cadres like Xiong Yuanqi will emerge in the course of the drive to build the socialist material and spiritual civilization.

Deng Liqun and Hao Jianxiu asked the comrades of the reporting group to convey the cordial greetings of the comrades working in the CPC Central Committee to Comrade Xiong Yuanqi's wife when they returned. Hao Jianxiu said: We should thank Comrade Cheng Jizhen for the part she did in the contributions made by Comrade Xiong Yuanqi.

During the meeting, Wang Tao, minister, and Zhou Yongkang, vice minister, of petroleum industry; and Wang Daming, deputy director of the Propaganda Department of the CPC Central Committee; gave an account respectively of the efforts being made by the petroleum industry, other departments, and localities in learning from Comrade Xiong Yuanqi.

HAO JIANXIU ENDORSES YOUNG PIONEERS' EDUCATION

OW251922 Beijing XINHUA Domestic Service in Chinese 0133 GMT 25 May 86

[Text] Beijing, 25 May (XINHUA) -- In a recent letter to the National Committee for Young Pioneers' Work, Hao Jianxiu, member of the Secretariat of the CPC Central Committee, points out that communist education must be intensified among the nation's Young Pioneers.

Hao Jianxiu says in her letter: Young people are the hope and the future of our country. Building China into a modern, highly civilized, and highly democratic socialist country requires the efforts of several generations. It is also a long-term strategic task to educate our children on communism, so that they will become morally, intellectually, physically, and aesthetically developed communist people who have lofty ideals and a high sense of discipline.

Hao Jianxiu continues: Educating the vast number of children on communism is an important aspect in intensifying socialist spiritual construction and it requires powerful ideological and political work. Party committees at all levels must fully understand its far-reaching significance and give it effective and strong leadership. Under the party committee's centralized leadership, all units under the CYL and youth work coordination committee must earnestly provide our young people creative, lively, and colorful communist education in accordance with young people's characteristics and the guidelines set forth by the CPC Central Committee in its October 1985 circular on improving young people's education. We should stress practical results, pay attention to typical cases, learn fresh experiences, and guard against formalism.

In her letter, Hao Jianxiu urges all Communist Party members, CYL members, cadres, staff members, PLA commanders and fighters, teachers, and guardians to care for young people's growth, and work in coordination with each other to bring up the younger generation. Hao Jianxiu also urges them to set an example for young people with words and personal deeds.

Hao Jianxiu's letter was written after she read the opinions of the General Office of the National Young Committee for Young Pioneers' Work on promoting communist education among the nation's Young Pioneers. According to the committee, Young Pioneers should be educated to: 1) foster communist ideals, beginning with loving the country; 2) emulate heroes and models and carry forward revolutionary traditions; and 3) display collective spirit and place people's interests above everything else. Hao Jianxiu endorses these opinions in her letter.

ZHENZHOU CITY REHABILITATES FACTORY DIRECTOR

HK310616 Beijing RENMIN RIBAO in Chinese 30 May 86 p 1

[Report: "Zhenzhou City CPC Committee Asks the City's No 2 Communications and Transportation Company To Reinstat Song Beifang in His Former Post of Plant Director"]

[Text] The Zhenzhou City CPC Committee made a 3-point decision on 27 May on the case concerning Song Beifang, director of the city's motor vehicle plant: first, the City's No 2 communications and transportation company's decision to dismiss Song Beifang from his post of plant director was wrong, and the company should rescind this decision and reinstate Song Beifang as director of the motor vehicle plant. The director responsibility system should be adopted in the plant. Second, in light of the CPC Central Committee's decision on economic structural reform and the State Council's policy stipulations about reforms in collective enterprises, the motor vehicle plant is selected to carry out the pilot project in reforming the economic structure of the collective enterprises. It will not be subordinate to the No 2 communications and transportation company, and affairs concerning the dissociation should be properly handled. Third, the handling of this case should be used as an example to educate cadres and the masses so as to create a relaxed external environment for enterprise reforms and to promote the in-depth development of reforms in the whole city.

Comrade Song Beifang is a plant director who is resolved to carry out reforms. He achieved marked economic results through reform in the motor vehicle plant. However, due to the erroneous decision of the department concerned, his reform efforts were frustrated. RENMIN RIBAO published a detailed report about his dismissal from office and the reasons and consequences of this case on 23 April.

Commentator's Article

HK310626 Beijing RENMIN RIBAO in Chinese 30 May 86 p 1

[Commentator's article: "Take a Clear-Cut Stand in Supporting the Reform"]

[Text] How to view and assess the merits and demerits of the reformists and to judge whether their actions are right or wrong is a question that many people are concerned with. Recently, some enterprise leading cadres who carried out reforms were faced with all sorts of criticisms and censures and were forced into a difficult position. Some of them were relieved of their posts, and some of the leaders sent in replacement were also facing a critical juncture: They had to decide whether to continue the reforms, or to stop the reforms, or even to backtrack to the old path. Under these circumstances, it is the upper leaders' important task to correctly appraise the merits and demerits of the reformists by distinguishing the main stream from the nonessentials so as to fully affirm their achievements and to protect their reform enthusiasm. This is an issue which not only concerns the personal fate of these reformists, but also concerns the overall interests of the nation and whether we can carry the reforms through to the end and fulfill the strategic plan of quadrupling our production by the end of this century. So we must never treat this issue lightly.

The economic structural reform is the second revolution in our country. It is a brand-new cause. In order to carry out reform, we must do a great deal of pioneering work and we have to properly handle a series of complicated political, economic, social, and personnel issues. "How can a person avoid mistakes since he is not a saint?" A valuable trait of the reformists is their courage in taking risks and acting as pioneers to blaze a new trail. Their efforts have brought new vitality to the enterprises and they are supported by the working masses. However, some people (including some leaders of the government departments in charge of the enterprises) are keen on finding fault and they merely want to see the reform pioneers tumbling and making mistakes. Once they find some problems, even some trivial problems, they immediately attack the reformists and obstruct the reforms. As some enterprise leading cadres said, at present, it is not enough to merely rely on the determination of the reformists in the enterprises to ensure the smooth development of the reforms, and it is necessary for them to obtain the full support and protection of the upper authorities. Only support and protection from the upper authorities can relieve the pressure on the reformists. Of course, the reformists themselves have shortcomings and faults. So the upper authorities should also give them timely warnings and enthusiastic help so as to promote the reforms. In the course of cracking down on serious economic crimes and straightening out the party style, we must very carefully protect the reform enthusiasm of the cadres and the masses, and must not confuse some unavoidable errors in reform caused by the ambiguous stipulation of the policies with the unhealthy tendencies and corrupt practices that we must check. At the same time, we must not mix up reformists who have made achievements and have also committed some mistakes with lawbreakers who line their own pockets under the guise of carrying out reforms. When handling these issues, leaders must be very prudent and sober-minded in making these distinctions.

We should notice that at present, some reformists have been censured or dismissed from their posts, not because they have committed any serious mistakes, but because their reforms have affected the vested interests of some people in power or have broken through some old conventions which their "bosses" are still fond of.

These superiors are wont to issue arbitrary orders to their subordinates in light of the old conventions and forbid comrades who want to carry out reform to break with the old conventions. If an enterprise leader dares to carry on reforms and does not obey their erroneous instructions, they will use their power to deal with the enterprise reformist in a wrong way. When such cases happen, the upper authorities should act like the Zhenzhou City party committee to resolutely uphold justice and support reforms. At the same time, they should seriously criticize and educate the responsible cadres who use coercive means to obstruct reforms so as to help them correct their attitude and raise their consciousness.

'GRAPE-GROWER SONG' EMBODIES POLICY OF ENRICHING PEOPLE

HK010612 Beijing RENMIN RIBAO in Chinese 27 May 86 p 2

[Newsletter by reporter Yao Gannan: "'I Believe the Party's Policy of Enriching the People Will Not Change!' -- Revisiting 'Grape-Grower Song'"]

[Excerpts] What has become of "grape-grower Song?" Over the past 3 years, I have followed with interest the "destiny" of the specialized household. Song Zeming, an ordinary peasant, built up a family fortune as a grape grower several years ago. In November 1982, I called on him. Afterwards, RENMIN RIBAO carried a newsletter with the heading "The Story of How 'Grape-Grower Song' Is Getting Rich." Consequently, "grape-grower Song" has become well-known throughout the country.

In late April this year, I went to Zhaoge Village in Gaomi County, Shandong Province, and revisited "grape-grower Song." What a surprise! His home has changed amazingly. The old, small thatched cottages have been replaced by a red brick house with seven rooms. On the gate hangs an antithetical couplet, reading: "The party's policy of enriching the people has the support of the people; every household brews good wine to extol the kindness of the party." Our talk definitely started with the party's policy of enriching the people.

"Grape-grower Song" by no means thinks only of his own family. Three years ago, he decided to lead the whole village to grow vines. Today, his hopes have been realized. This year 115 households in Zhaoge Village are cultivating vines.

HU YAOBANG ENCOURAGES YOUNG PIONEERS COUNSELLOR

OW020539 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 31 May 86

[Excerpts] Yu Minde, principal of the experimental primary school in Wenling County, has been engaged in guiding Young Pioneers for 36 years and has helped promote red scarf activities. He has repeatedly received commendations from departments concerned of the central authorities and this province.

Comrade Hu Yaobang recently sent a message to him through the General Office of the CYL Central Committee encouraging him to work vigorously for 30 more years.

Since the end of 1949, Yu Minde has started to work as a counsellor for Young Pioneers. On National Day in 1955 he attended the national meeting of young activists in building socialism as a representative of outstanding counsellors for Young Pioneers and was received and encouraged by Comrades Zhao Enlai and Hu Yaobang.

Many parents pointed out that their children, since entering the experimental primary school in Wenling County, have begun to love labor, study hard, and know courtesy. Yu Minde pledged that he would follow Comrade Hu Yaobang's advice and vigorously work for 30 more years.

PUNISHMENT FOR NEGLECTING DUTIES URGED

OW210935 Beijing XINHUA Domestic Service in Chinese 1053 GMT 30 May 86

[Text] Beijing, 30 May (XINHUA) -- Title: It Is Imperative To Investigate Those Seriously Negligent of Their Duties and To Determine Their Criminal Liability by XINHUA Commentator

Pan Fengcai, former party branch secretary and director of the Nanyuan Vegetable cold storage plant, Shi Xiwen, deputy director of the plant, and Wang Louzeng, also a former secretary of the plant's party branch, were found negligent of their duties, causing some 700,000 kilograms of vegetables to rot or deteriorate. They were arrested according to the law and put under investigation to determine their criminal liability. This case has given the people a very good education.

The vast majority of our state personnel are loyal to their duties and work diligently and earnestly for the people. However, some of them are certainly negligent of their duties and pay no attention to state property, such as Pan Fengcai, Shi Xiwen, and Wang Louzeng. If we fail to punish them according to the law, we can not suppress the people's indignation, strictly enforce law and discipline, and arouse those who are seriously bureaucratic. Article 187 of our country's "criminal law" states: "State personnel who, because of neglect of duty, cause public, property or the interests of the state and the people to suffer major losses are to be sentenced to not more than 5 years of fixed-term imprisonment or criminal detention." Obviously, if an act of neglect of duty develops to the extent of causing major losses to public property and the interests of the state and the people, it is a crime and no longer a general mistake in work. In our country, the crime of neglect of duty is only one of the crimes of dereliction of duty. Whether a person who has committed the crime of neglect of duty should be sentenced and, if so, how long the imprisonment should be all depend on the seriousness of the case and its consequences. Article 192 of Chapter VIII "Crimes of Dereliction of Duty" of the "criminal law" states: "For state personnel who commit a crime in this category, if the circumstances are minor, the department in charge may, according to the circumstances, consider giving them administrative sanctions." Some people who have committed the crime of neglect of duty may be given administrative sanctions instead of being sentenced. This is because the circumstances of their crimes are minor; it should not be construed to mean that they are innocent. Those whose cases are serious must be punished according to the law.

It is not hard to understand why serious neglect of duty is a criminal act. In the aforementioned case, the peasants labored painstakingly to grow the vegetables. Then, the state spent a lot of money to buy the vegetables and the staff and workers of the transportation department worked day and night to transport the vegetables to Beijing and put them in the cold-storage plant. Many families in the capital looked forward to having fresh vegetables to eat in the winter. However, a large quantity of the vegetables turned into a rotten mess because of the neglect of duty on the part of Pan Fengcai, Shi Xiwen, and Wang Louzeng. Can the people let them go without being punished according to the law?

For a long time, many people have been thinking that only embezzlement and bribery are crimes, but fail to see that neglect of duty is also a crime. Some cadres are seriously derelict of duty, causing major losses to the party and the state. Shielded by bureaucracy, however, they are not punished by the law. This state of affairs must change.

BEIJING: LI XIMING ADDRESSES CPPCC CLOSING SESSION

SK310822 Beijing BEIJING RIBAO in Chinese 21 May 86 pp 1, 2

[Excerpt] After satisfactorily completing all the predetermined items on its agenda, the Fourth Session of the Sixth Beijing Municipal CPPCC Committee successfully concluded on the afternoon of 20 May.

The session was presided over by Gao Ge, vice chairman of the municipal CPPCC Committee. Li Ximing, secretary of the municipal CPC Committee, delivered an important speech at the session.

The session adopted the resolution on accepting the resignations of Fan Jin, Liu Yong, Zhang Qinglian, Chen Shengwu, and He Yiping, and unanimously elected Comrade Bai Jiefu chairman of the municipal CPPCC Committee, Comrade An Lin vice chairman of the municipal CPPCC Committee, and Comrades Zhang Yichun, Lu Daopei, Zhou Pan (female), Fei Lulu (female), Tao Huimin (female), and Zhang Zhixue (female) Standing Committee members of the municipal CPPCC Committee.

The session examined and endorsed the "Political Resolution of the Fourth Session of the Sixth Beijing Municipal CPPCC Committee" and the "Resolution on the Standing Committee Work Report of the Fourth Session of the Sixth Beijing Municipal CPPCC Committee."

During the session, the CPPCC members attended the Fifth Session of the Eighth Beijing Municipal People's Congress as observers, and listened to the report by Mayor Chen Xitong on the Seventh 5-Year Plan, as well as other pertinent reports.

In his speech, Comrade Li Ximing said: During the past year, the municipal CPPCC Committee has organized all its members to do a great deal of fruitful work, do many solid jobs, and make new contributions to building the two civilizations of Beijing. We can say that the CPPCC work has become ever more flexible, its road has become ever wider, its role has become ever greater, and its achievements have become ever more remarkable.

This session was very successful. The major indicators are as follows: First, the CPPCC members have conducted conscientious and careful discussions on Mayor Chen Xitong's report on Beijing's Seventh 5-Year Plan, and have offered many constructive suggestions and opinions. Instead of discussing in generalities, the CPPCC members have discussed and explored the report in a rigorous manner, with sound judgment, and with scientific appraisals. In this aspect, the members have played their role as an "intellectual reserve." Second, the CPPCC members have set forth quite a few criticisms and opinions with regard to the party and government leading organs and leading cadres in light of the attitude of setting strict demands and seeking truth from facts. Some of these criticisms and opinions are relatively incisive and pertinent. I hereby express my thanks on behalf of the municipal CPC Committee and the municipal people's government. It is an extremely good situation that there are so many comrades who speak their mind freely and open-heartedly, and express their criticisms and opinions without mincing words. This shows that the relationship between the party and various democratic parties has become increasingly close. Third, the CPPCC members have spoken out concerning their discontent with the present situation, and called on the municipal CPC Committee, the municipal people's government, and building departments at all levels to provide them with more opportunities to obtain information and render services, and to create the conditions for offering advice for the four modernizations and the unification of China. Their will and demands in this aspect are also very valuable.

To further strengthen and exploit the function of the CPPCC organizations, party and government leaders at all levels in the municipality should do still more work and render support to the CPPCC work in various fields. First of all, party and government leading organs at all levels should continually enhance their understanding of the importance of united front and CPPCC work. This work should begin with the municipal CPC Committee. The municipal CPC Committee should conscientiously find out how to make full use of the favorable conditions of the municipality to create a new sphere and a new situation in united front work. In terms of CPPCC work, we should make full use of the favorable situation of extensive contacts between CPPCC members and overseas figures to vigorously strengthen the liaison work directed overseas and to promote the development of the unification of China, in addition to continually grasping the building of the two civilizations. Second, the municipal CPC Committee and the municipal people government should create conditions for the CPPCC members to gain information and offer services so that all democratic parties and mass groups can display their abilities and talents. Third, we should vigorously publicize the united front principles and policies for the new period, and the important position and role of the CPPCC. CPC committees, CPPCC committees, and united front work departments at all levels should attend to this work conscientiously and frequently. At the same time, we should continue to grasp the implementation of various policies, and solve various dangling problems thoroughly in line with the demand of the central authorities.

Lu Zongda, vice chairman of the municipal CPPCC Committee, delivered a closing speech. He said: This session is a democratic and united session which enhanced the morale of the masses. This session has conspicuously manifested the functions of political consultation and democratic supervision, and has specifically indicated the consolidation and development of the Beijing municipal patriotic and united fronts. During the Seventh 5-Year Plan period, we should exert ourselves in conscientious study, reinforce our confidence, further exploit the role of the CPPCC comprehensive talent reserve, better serve the four modernizations, and struggle for the revitalization and unification of China by having our feet firmly planted at home and keeping our sights trained on overseas matters.

Among the leading comrades of the municipal CPC Committee, the municipal Advisory Commission, the municipal People's Congress Standing Committee, the municipal people's government, the municipal democratic parties, and the municipal CPPCC Committee, who were seated on the rostrum, were Jin Jian, Ye Zilong, Ma Yaoji, Hou Jingru, Pu Jiexiu, Chen Mingshao, Sun Fuling, Feng Mingwei, Zhang Mingyi, Chen Zhongyi, Guan Shixiong, Li Bokang, Su Congzhou, Deng Jixing, Xia Xiang, Zhang Guangdou, Wu Baosan, Ding Gongnan, Kan Guanqing, Gan Ying, Li Tianshou, Guo Buyue, and Lin Tong. Also attending the session were Lei Jieqiong, vice chairman of the National CPPCC Committee, and Sha Li, deputy secretary general of the National CPPCC Committee.

SHANXI: LI LIGONG VIEWS MILITARY LEADERSHIP GROUPS

HK240357 Taiyuan Shanxi Provincial Service in Mandarin 2200 GMT 23 May 86

[Excerpts] Li Ligong, secretary of the provincial CPC Committee and first secretary of the CPC Committee of Shanxi Military District, spoke at an enlarged meeting of the Military District on 21 May, putting forward two hopes regarding the new leadership groups of the military subdistricts and People's Armed Forces departments throughout the province: They must grasp building leadership groups well, and also do a good job in militia work.

He said: The key to successful work lies in the leadership groups. They must particularly stress democratic work style and the strengthening of party spirit and discipline. They must give play to democracy and put the party's political life on a sound basis. The leadership groups must embrace the idea that leadership is service and regularly go to grass-roots levels to solve problems.

He said: Following the transfer of the People's Armed Forces departments to the local authorities, militia work must still be grasped by the provincial military district, the military subdistricts, and the People's Armed Forces departments. The work must be done well under the leadership of the local CPC committees and government. We must clearly understand that the main task of the military subdistricts and People's Armed Forces departments is, as before, to grasp militia work.

TIANJIN COMPLETES TRANSFER OF MILITIA TO LOCAL UNITS

SK280200 Tianjin TIANJIN RIBAO in Chinese 11 May 86 p 1

[Text] On the morning of May 10, the municipal CPC Committee, the municipal people's government, and the municipal garrison district jointly held a meeting on transferring the People's Armed Forces departments to local governments. At the meeting, Lu Xuezheng, vice mayor of the municipality, and He Yanran, deputy commander of the municipal garrison district, signed the papers of transfer work. As of now, the municipality has successfully fulfilled the task of transferring the People's Armed Forces departments of 18 districts and counties to local governments.

Attending the meeting were Li Ruihuan, deputy secretary of the municipal CPC Committee and mayor of the municipality; Wu Zhen, deputy secretary of the municipal garrison district; and Lan Baojing, political commissar of the municipal garrison district. Huang Yunquiao, chief of staff of the headquarters of the Beijing Military Region, attended the meeting and delivered a speech.

At the meeting, Mayor Li Ruihuan, on behalf of the municipal CPC Committee and people's government, extended warm welcome to the cadres, fighters, staff members and workers, and dependents of the People's Armed Forces departments. He emphatically stated: The nature of the work of the departments transferred to local governments will remain unchanged. The party committees and governments at the district-county level should strengthen their leadership over the work undertaken by the departments, place the work as an important item on the schedule, regard the work of militia and reserve services as an important task, and grasp the work in a down-to-earth manner. He also urged the comrades of the departments to adapt to the needs of the new situation, to study the experience gained by local units, and to conduct research on economic construction in order to meet the reality of local work. Efforts should be made to promote the development of the relationship between the PLA units and the local governments to a higher level and to improve the work of the PLA units, local units, and militiamen to a new standard.

At the meeting, Commander Zheng Guozhong also delivered a speech in which he raised expectations for comrades in the People's Armed Forces departments, saying that, following the transfer work, comrades in the departments should consciously abide by the leadership of the local party committees and governments and score new achievements in building the strength of national defense and reserve services.

PRESERVING CO-EXISTENCE OF TWO SOCIAL, ECONOMIC SYSTEMS EXAMINED

HK301157 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 28 May 86 p 5

["Answers to Questions From Taiwan Compatriots" column: "How Can It Be Proved That the Mainland Does Not Want To Appropriate Taiwan? Why Is the Preservation of Two Kinds of Social Systems Permitted?"]

[Excerpt] The mainland does not want to appropriate Taiwan. This has been tested and verified by the policy and implementation of peaceful reunification of the motherland, by a series of remarks made by many senior leaders on the mainland, and by what the CPC has done.

The mainland's policy toward Taiwan is peaceful reunification and not solution by force. After peaceful reunification, "Taiwan will be allowed to become a special administrative region." The existing social and economic systems will remain unchanged and the way of life will remain unchanged. Taiwan's economic and cultural relations with foreign countries will also remain unchanged. It will be guaranteed that the proprietary rights to private property, houses, land, and enterprises, the legal inheritance right, and foreign investment will not be violated. This shows clearly that the mainland does not want to be unified with Taiwan by means of socialism and to "gobble" it up. Of course, Taiwan cannot be unified with the mainland by means of the "three principles of the people" either.

Senior leaders on the mainland have on many occasions proposed to hold talks between the two parties on a reciprocal basis and have expressed that the views of people from all walks of life in Taiwan will be extensively solicited at an appropriate time. They have also explicitly pointed out that after the reunification of the motherland, leaders from all walks of life in Taiwan will be invited to participate in the central government's leading work on the mainland. Deng Xiaoping told Yang Liyu in June 1983 that the CPC can not take over the KMT nor can the KMT take over the CPC. Deng Xiaoping told U.S. President Reagan on 28 April 1984 in Beijing that China can realise peaceful reunification. The mainland has put forward an envisaged view: Taiwan will be allowed to maintain its Army. Therefore, there is no way of saying that the mainland wants to "gobble up" Taiwan.

The mainland has no plan of "gobble up" Taiwan. The strategic purpose of the Army on the mainland is to defend the country and to defend modernization. All training on preparations against war is carried out with this central purpose. Of course, this does not mean that the mainland is not capable of imposing a military blockade against Taiwan. However, we will impose such a blockade only if we have no alternative. For the same reason, the CPC is not committed to not using force under any circumstances. The object in mind is to promote the country's peaceful reunification.

It is also very easy to understand why two different social systems are allowed to exist. China has a population of 1 billion. It has a superior socialist system and is under the leadership of a mature political party, the CPC. It is confident in its future. The two systems are allowed to coexist over a long period so that they may support each other to attain co-prosperity in conformity with the fundamental interest of the nation and the country.

Many people in Taiwan hope that after reunification, they can maintain the present ways of life, social and economic systems, and living standard. The mainland has agreed that this will not affect the socialist system and modernization on the mainland.

REPORTS, COMMENTS ON TRAWLER INCIDENT WITH ARGENTINA

Trade Official Interviewed

OW301325 Taipei Domestic Service in Mandarin 2300 GMT 29 May 86

[Excerpts] According to a report by our Taipei station reporter who placed an international telephone call to Buenos Aires, crew members of the trawler "Hsien Teh 3" arrived in Puerto Deseado in southern Argentina at 0600, Taipei time, today. It has been confirmed that the dead crew member was (?Hong Tien-lan) and crew member (?Yen Jen-feng) is missing. In addition, six crew members were slightly wounded.

An Argentine naval gunboat attacked the Chinese fishing boat "Hsien Teh 3" on the high seas near the Falklands, setting the boat aflame and leaving one crew member dead and three others wounded. The Republic of China's [ROC] trade mission in Argentina is actively negotiating with the Argentine authorities for the release of the rest of the crew members. The representative of the ROC trade mission and the representative of the trawler "Hsien Teh 3" have gone to the port in southern Argentina to make contact with the Argentine naval authorities.

Britain has strongly condemned the attack on the trawler and considers this attack as unjustified and overreaction.

The following is a report filed by our station reporter. Hsu Ping, representative of the ROC trade mission in Argentina, was interviewed via international telephone system by our station reporter early this morning at 0600 Taipei time. Hsu said that the staff members of the trade mission and the representative of the trawler "Hsien Teh 3" were negotiating with the Argentine Foreign Ministry. The Argentine Foreign Ministry has said that it will make things convenient for us for humanitarian reasons and take care of the detained crew members. Accompanied by (Li Ching-fu), a staff member of our trade mission, the representative of the trawler "Hsien Teh 3" called on the director of the Argentine Naval Prefectural Justice Department. The negotiations are going on right now.

[Reporter] Has the namelist of the dead and wounded crew members been announced yet?

[Hsu] The namelist has not been announced yet because the boat has not arrived.

[Reporter] When is the boat expected to arrive?

[Hsu] Perhaps early tomorrow.

[Reporter] What kind of judicial procedures are we talking about?

[Hsu] An official of the Argentine Foreign Ministry said privately that we should hire a lawyer as soon as possible to handle this case.

[Reporter] Did the attack take place on the high seas, Argentine territorial waters, or the maritime zone of economic resources?

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[Hsu] According to the communique issued by the Argentine Naval Prefecture, the incident occurred within the 200-mile limit from the Argentine coast.

[Reporter] Have you asked the Argentine Foreign Ministry why the use of force was necessary to deal with our trawler?

[Hsu] I have already expressed my view to a department head of the Argentine Foreign Ministry that the use of force in this incident was unjustified. He replied that this case is now under investigation. [end recording]

J.Y. Chiu, spokesman of the ROC Foreign Ministry, has also emphatically pointed out: The ROC Foreign Ministry is extremely concerned over the attack on our trawler by the Argentine gunboat. As of now, it has already instructed the ROC trade mission to conduct negotiations and handle this case as soon as possible and to give top priority to taking care of the detained crew members.

He said: We have asked representative Hsu to try to have all the crew members released as quickly as possible.

Foreign Ministry Statement

OW301035 Taipei CNA in English 1018 GMT 30 May 86

[Text] Taipei, May 30 (CNA) -- The Ministry of Foreign Affairs Friday condemned Argentina's sinking of an ROC [Republic of China] squid trawler which caused death of one fisherman in international waters near the Falkland Islands Wednesday. The ministry demanded that the Argentine Government work out a satisfactory solution to the problem in accordance with international law and practices.

Cheyne J. Y. Chiu, spokesman for the ministry, said in a press statement that the ROC Government condemns the Argentine attack on an unarmed fishing boat which had led to the tragic loss of life and the sinking of the vessel.

Chiu said at a regular press conference held at the Government Information Office that his ministry has ordered Hsu Ping, chief of the ROC trade mission in Buenos Aires, to contact the Argentine Government for more details about the incident in which an Argentine naval gunboat destroyed a Kaohsiung-based trawler and killed one crew member and seriously injured three others on board. Chiu said that Hsu will also negotiate with Argentine authorities on the release of the remaining 19 fishermen crew who are now being detained at Puerto Deseado, a port city some 2,300 kilometers south of Buenos Aires.

On the British statement condemning the Argentine use of force on the high seas against the ROC fishing vessel, Chiu said that Britain did so largely to protest an Argentine attempt to pursue a sovereignty claim to waters around the Falkland Islands. Britain and Argentina fought a war over the sovereignty of the island four years ago. Chiu said that the ROC would remain neutral over the issue.

Nevertheless, Chiu deplored the Argentine attack on the unarmed ROC vessel. "All civilized nations would condemn such an unjustified and excessive action," he stressed. Chiu further said that the government would not seek a third party to help solve the problem at the moment because there are accessible communication channels between this country and Argentina.

UK: Trawler in International Waters

OW310331 Taipei CNA in English 0251 GMT 31 May 86

[Text] Kaohsiung, Southern Taiwan, May 30 (CNA) -- Hsu Pin, ROC [Republic of China] trade representative in Buenos Aires, Argentina, has agreed to handle the fishing boat, Chiann Der No. 3 [name as received] incident on behalf of the Kaohsiung area fishermen's association and the owner of the boat, Tsai Ting-pang, president of the association, said Friday. He made the authorization when inquiring about the condition of the 22 apprehended Chiann Der crew members in a telephone conversation with Hsu Friday. Hsu told Tsai that Argentine Foreign Ministry officials suggested that lawyers be hired to handle the case. Tsai added that the government and Hsu will try their best to bring the apprehended crew and the body of the crewman killed in the attack back home as soon as possible and seek compensations from the Argentine Government.

Meanwhile, Lei Chu-kang, ROC fishery representative in the Falkland Islands, said in a cable report to the Kaohsiung area fishermen's association Friday that the British governor of the Falkland Islands expressed his willingness Thursday to certify that Chiann Der was in international waters when it was attacked by an Argentine gunboat May 28. He added that the British governor has also agreed to allow ROC fishing boats to seek refuge in waters within 150 nautical miles off the Falklands but advised the boats not to operate when seeking refuge so as to avoid unnecessary misunderstanding.

Argentina Regrets Sinking of Ship

OW311543 Beijing XINHUA in English 1509 GMT 31 May 86

[Text] Buenos Aires, May 30 (XINHUA) -- The Argentine Government has expressed regret over the death of at least one Taiwan fisherman on Wednesday when an Argentine Coast Guard cutter sank a Taiwan vessel fishing near the Malvinas Islands. A statement issued by the Argentine Foreign Ministry yesterday said the Argentine Government regretted the unexpected casualty. In Wednesday's incident, one fisherman was killed and another was missing but the rest of the 22 crewmen were picked up by the Argentines on the cutter.

Economic Sanctions Not Yet Considered

OW020301 Taipei CNA in English 0244 GMT 2 Jun 86

[Text] Taipei, May 31 (CNA) -- The government of the Republic of China [ROC] has not yet considered to take economic sanctions against Argentina in retaliation of that South American nation's attack of unarmed ROC trawlers May 28, Vice Economics Minister Li Mo said Saturday.

Some people have suggested that the ROC reduce its imports from Argentina to retaliate for the Argentine gunboat's barbarous attack of ROC fishing vessel "Chiann Der No. 3" [as received], which caused one dead, one missing and six others injured, should no reasonable solution to the incident is provided by that country.

Li said his ministry has not yet considered taking any trade retaliatory actions against Argentina because the incident is still pending.

According to government statistics, the Republic of China suffered a U.S. dlrs 20 million deficit in its trade with Argentina in 1985. Major categories of products the ROC imports from Argentina are been, mutton and leather which can easily be bought from other countries.

Commentary Condemns Attack

OW010416 Taipei Domestic Service in Mandarin 2300 GMT 30 May 86

[Station commentary]

[Text] In the early morning of 29 May, two of our trawlers were attacked by an Argentine naval gunboat as they fished in international waters in the South Atlantic Ocean. One of the trawlers was sunk and another one damaged. The trawler set aflame and sunk was Hsien Teh No 3. Its 22 crew members, 6 of them slightly wounded, were rescued by the Argentine gunboat. It was reported that one crew member died of a heart attack and another one was missing.

When news of this incident was broadcast, the country was angered by Argentina's attack on an unarmed fishing boat on the high seas. They regarded this incident as an out-and-out atrocity and an irrational act of piracy. According to a telegram received by our fishermen's association, five trawlers were fishing in that area when the incident occurred. The Argentine gunboat fired at trawler Chi Fu No 6 first, but fortunately it was not seriously damaged.

At that time, our fishing boats were at least 228 nautical miles from the Argentine coast -- far over the 200 nautical mile limit. The Argentine gunboat was determined to take the trawler Hsien Teh No 3 to an Argentine port. However, the captain of the trawler believed that the gunboat had no authority over a ROC fishing boat in international waters. While he was arguing strongly on just grounds, the Argentine gunboat began firing, thus causing this tragedy.

The Argentine Navy claimed that our trawler Hsien Teh No 3 was fishing 175 nautical miles off the Falkland Islands; that it was within the 200 nautical mile limit of Argentina's maritime economic zone; and that the Falkland Islands are Argentine territory. As a matter of fact, Britain has already exercised its sovereignty over the Falkland Islands. Argentina sent troops to occupy the Falkland Islands in 1982, evoking the world famous war of the Falkland Islands. Later, Britain's strong naval and air forces had wiped out the main forces of the Argentine occupation Army, while the remaining Argentine forces surrendered. The Argentine president and commanding general of the Argentine Armed Forces who ignited the war were tried by the present administration. and they were given a scathing sentence.

Everyone knows that Argentina is basically unable to exercise sovereignty over the Falkland Islands. Through our trade office, our fishing boats have reached an agreement with Britain. Our fishing boats, as well as those of other countries, may enter the zone within 150 nautical miles of the Falkland Islands for fishing. However, Britain permits no Argentine aircraft to fly over the zone. Therefore, is it not a big joke that under such conditions, Argentina ventures to claim that it enjoys sovereignty over the Falkland Islands and that it has a the right to fire at unarmed fishing boats?

It is also ridiculous that when a British helicopter and naval vessel and our own fishing boats suggested that, first of all, available medical facilities and medical personnel be used to treat the wounded crew members of the trawler Hsien Teh No 3, their suggestion was rejected by the Argentine side. All of this runs counter to the humanitarian principles, and fully reflects the atrocious nature of the Argentine Navy. After the incident, the Argentine Foreign Ministry expressed regret over this. However, the Argentine military authorities still ignored facts, and insisted on saying our fishing boats had intruded into Argentina's maritime economic zone.

The British Ministry of Foreign Affairs was the first to strongly condemn Argentina's attack on an unarmed fishing boat. We believe all the nations that uphold justice and human rights will condemn Argentina's atrocity. The ROC Foreign Ministry had already instructed the ROC trade representative in Argentina to actively negotiate with Argentina for the release of the detained crew members, to seek compensation from the Argentine Government, and to ask the Argentine Government to openly apologize for this incident.

Yesterday, the ROC Foreign Ministry issued a statement to condemn Argentina's atrocity. It is hoped that with the support of world public opinion and the will of all the people in our country, our trade representative in Argentina will try his best to negotiate with the Argentine Government to work out a satisfactory solution to the problem in accordance with international law and practices.

Argentina 'Violated' International Law

OW310351 Taipei CNA in English 0230 GMT 31 May 86

[Text] Taipei, May 30 (CNA) -- Two leading newspapers in Taipei condemned Argentina Friday for attacking two fishing boats of the Republic of China [ROC] in the South Atlantic. They asserted the action violated international law and practices and characterized the deed as "inhuman."

The CENTRAL DAILY NEWS and TAIWAN SHIN SHENG DAILY NEWS unanimously invited the attention of world mass media to the "barbarous and inhuman" action employed by Argentina in which one of the two unarmed ROC trawlers sank after being hit by an Argentine gunboat in international waters off the Falkland Islands. The Falklands, occupied by Great Britain, are claimed by Argentina, which calls them Las Malvinas.

The CENTRAL DAILY NEWS, in an editorial Friday, also urged ROC's fishing boat operators to familiarize themselves with foreign fishing regulations and be extra careful while operating in "disputed waters" like those near the Falklands.

The editorial said the Republic of China's fish catch has been growing by leaps and bounds during the past decade. In 1985, the fish catch of this nation exceeded 1 million metric tons with 40 percent of the total garnered by ocean-going fishing boats. With rising world protectionism inspiring more and more limitations of fishing activities, the editorial said, ROC fishing boats operating overseas have encountered increasing numbers of troubles and difficulties. According to statistics compiled by the government, 28 Taiwanese fishing boats and 161 crewmen are currently being held by foreign governments.

The TAIWAN SHIN SHENG DAILY NEWS said in its editorial that Argentina and Britain have had continued confrontation over sovereignty on waters in the South Atlantic since the Falklands war four years ago. It urged fishing boats from Taiwan to stay away, if possible, from the disputed waters so as to prevent further loss of lives and vessels in the future.

PRC 'TAIWAN AFFAIRS OFFICE' NEW COMMUNIST TRICK

OW310343 Taipei CNA in English 0259 GMT 31 May 86

[Text] Taipei, May 30 (CNA) -- The Peiping regime's setup of the so-called "Taiwan Affairs Office" is a new trick, in their bag of united front tactics following propagandistic lines similar to their "Hong Kong model" and the "one nation, two systems," spokesman for the Ministry of Foreign Affairs Cheyne J.Y. Chiu said Friday.

Establishment of the new office is Peiping's vicious new plot in their attempt to isolate this nation by trying to win international support through diplomatic channels, Chiu pointed out, replying to questions at a news conference. He called on all free countries in the world to recognize the evil nature of the Chinese Communists to avoid being fooled.

To expand their united front plots against this national bastion, the Peiping authorities have set up several organizations such as the "Taiwan Trade Office," the "Taiwan Missions Office," and the "Overseas Chinese Affairs Office," he noted. Chiu said the Chinese Communists' forming of the "Taiwan Affairs Office," after their "Hong Kong and Macao Affairs Office" in April last year, clearly demonstrated their ambition to take over this country through intensive united front tactics.

OPPOSITION EDITOR ARRESTED FOR TRIAL ABSENCES

HK021021 Hong Kong AFP in English 1016 GMT 2 Jun 86

[Names as received]

[Text] Taipei, June 2 (AFP) -- Authorities Monday arrested the editor-in-chief of an opposition magazine for failing to report to court as the defendant in an election suit, a court official said. Cheng Nan-jung, editor of the SHIH TAI (TIME) monthly magazine and one of the organizers of a demonstration last month against martial law, was taken into custody for three times defying a court's orders to attend his own hearings.

The 39-year-old editor and the magazine's former publisher, Wang Cheng-huei, were sued in November 1984 by Chang Teh-ming, an opposition politician who said the magazine had made a malicious personal attack on him during an election campaign with the intention of driving him out of the race, the official said. Mr Chang eventually won a seat in the 53-member city council in the elections that November. The charge against the two carries a prison term of from one to five years.

The magazine's staff said Monday's arrest was prompted by the May 19 demonstration that Mr Cheng had helped organize. "Otherwise why would the former publisher in the same case escape arrest?" staff member Lin Chien-yi said. Demonstrations are not allowed under the 38-year-old martial law. Some 200 people participated in the demonstration at a local temple, with 1,200 police mobilized to guard the area and stop them from marching to the presidential office.

CHENG MING ANALYZES POSTPONEMENT OF DENG XIAOPING RETIREMENT

HK020627 Hong Kong CHENG MING in Chinese No 104, 1 Jun 86 p 10

["Word From the Capital" by special correspondent Chang Chuan: "Deng Xiaoping Postpones His Retirement"]

[Text] Will Deng Xiaoping retire? When? This is a question of concern to many people. It is strange that even Deng Xiaoping himself could not give a sound reply to the question in the past few months.

Do Less Work

At a meeting of the Central Advisory Commission, Deng Xiaoping expressed his utmost confidence in Hu Yaobang and Zhao Ziyang, but said that he had some work to do. Here are his very words: "My present work method is to work as little as possible. This has the following advantages: One is that I can live for some more years; the other is that when I do less work, they can do more and even better work. It must be said that these comrades are full of vigor and they can do better than I. I hope I will gradually disengage myself completely from day to day work and that I will be in good health, and thereby I will complete my mission. However, it seems that I still have to do some work at present."

He Changes What He Has Said

Not long ago, it seemed that Deng Xiaoping seldom changed what he had said. He talked about his retirement in public. Since then, rumors have been spread in Beijing that he would retire after the party's national congress to be convened in September 1987.

Nevertheless, it has recently been reported that at a meeting of the Political Bureau Standing Committee, he said that he had to continue doing some work because he worried that here might be some trouble.

Afterwards, Hu Qili revealed this to friends from Japan, saying that Deng Xiaoping would not tender his resignation from his primary posts at the party's national congress to be held in September 1987.

Three Major Troubles

At present there are three problems for the reformists in the CPC leadership. First is reform of the economic structure, which the CPC has decided to extend to other aspects after summing up experiences. Second is rectification of the party's work style and the question of dealing with crimes committed by some "children of senior officials." Third is how to cope with the interference of conservatives.

Did Deng Xiaoping decide to postpone his retirement because of these three major problems?

This Hu Does Not Offend That Hu

At present Hu Qiaomu and Deng Liqun are the most active big shots among the conservatives. It would seem that if the two veteran Marxists are controlled, everything will go off without a hitch. However, the problem is not that simple. In the Political Bureau and the Secretariat of the CPC Central Committee, aside from those who "are on equal footing with" Deng Xiaoping and are now propping up Hu Qiaomu and Deng Liqun, there are also some people who are inclined toward Deng Xiaoping but also respect Hu Qiaomu unboundedly. There are even some people who relatively highly value Hu Qiaomu. For this reason, Hu Yaobang and others seldom offend him in the Political Bureau.

Another Important Official Among the Conservatives

Except for Chen Yun and Hu Qiaomu, people do not greatly favor Deng Liqun, an important official among the conservatives.

At a meeting of the Secretariat of the CPC Central Committee, Hu Yaobang proposed that old cadres take charge of work as little as possible and let younger ones take more responsibility. For example, Deng Liqun, he said, could withdraw from the policy research center. Deng Liqun asked whether he had to withdraw from the five-four-three committee too. Some people were unable to comprehend what he had said. After a while, they came to realize that he referred to the Central Five Stresses-Four Beauties-Three Loves Committee. Wan Li chipped in and said that the committee was not needed at all.

Relying on Chen Yun and Hu Qiaomu, Deng Liqun takes a firm grip on the "remnants of power" in his hand and makes use of the power to the utmost. As a result he has been stirring up a lot of trouble for Deng Xiaoping and Hu Yaobang.

Shortcomings in the Political Structure

Precisely due to the strength and capacity of the conservatives, Deng Xiaoping will not retire now. Otherwise, reform will encounter more obstacles. Over the past few years, many problems have cropped up in executing the reform, but Deng Xiaoping anticipated these developments. That is why he said that it is not time for him to withdraw from the political arena.

What does this show? It shows that problems result from the combination of the CPC political structure with traditional feudalism.

YAO YILIN QUERIED ON SEZ FOREIGN EXCHANGE CERTIFICATES

HK290902 Hong Kong WEN WEI PO in Chinese 29 May 86 p 1

[Report by special reporter Tseng Min-chih from Vancouver: "Yao Yilin Says That the Central Authorities Have Decided To Stop Using Foreign Exchange Certificates and To Hold a Meeting To Work Out a Plan for This Next Month"]

[Text] Vice Premier Yao Yilin granted an exclusive interview to this WEN WEI PO reporter in Vancouver on 27 May. He told me that the central authorities had decided to stop using foreign exchange certificates, and would hold a meeting to discuss and plan this matter in June. A formal announcement will then be made.

It was after attending the flag-raising ceremony on China Day at the Expo '86 in Vancouver that Vice Premier Yao received me. When asked about the planned issuance of a special economic zone currency in Shenzhen, he smiled and said that the plan to issue such special currency has been abandoned. Mr Gian Jiaqu most strongly opposed this plan, and now he does not mention this matter. Then I reminded him that WEN WEI PO Director Li Tsu-sung also pointed out that "more currencies will give rise to more disadvantages." Yao said: I remember this. We are very prudent in dealing with the matter of issuing currency.

Then I asked him about his achievements on his current trip to the United States. He said: I have signed four agreements. Both sides have strengthened mutual understanding. All this is conducive to the future development of Sino-U.S. trade. When talking about the protectionist trend in the United States, Yao Yilin said with a smile: To put it bluntly, protectionism is a matter of votes. It does affect China's foreign trade, but we have worked out our countermeasures.

I brought up an old case -- his remarks about the "blood transfusion" to the Shenzhen Special Economic Zone. Yao Yilin said emphatically: "Blood transfusion" is not a matter merely concerning the Shenzhen Special Economic Zone, but is a matter concerning the economies of all our open cities. The state must handle things in light of its capacity and cannot use some 1 billion yuan to build a small city, although it will grow up gradually and will affect the overall situation. If the special economic zone turns its economy into an outwardly oriented pattern, then its prospects will be bright and broad. But it will take 3 to 5 years to achieve this goal. He did not think that the special economic zone had deviated from the course defined by the central authorities. However, he said that the special economic zone did take some detours.

Finally, I asked him about his opinion on Hong Kong's economic prospects. Yao Yilin said: Hong Kong is an international commercial center and trade center. It has great potential for development. If Hong Kong cooperates with the mainland, its prospects will be broad and bright. Hong Kong can seek reliable support from its relations with the mainland.

PRC AUTHOR DENG YOMEI DISCUSSES CREATIVE FREEDOM IN LITERATURE

HK291414 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1423 GMT 28 May 86

[Report: "Deng Youmei Says: Free Discussion Has Now Become Common Practice in the Mainland's Literature Circles" --ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 28 May (ZHONGGUO TONGXUN SHE) -- In his stopover in Hong Kong on his way home from the United States, famous Chinese writer Deng Youmei today told this ZHONGGUO TONGXUN SHE reporter that "an atmosphere of free discussion has finally appeared in the mainland's literature circles."

Deng Youmei was labelled a "rightist" during the "anti-rightist movement" in 1957 and tasted bitterness of life to the fullest during the 10-year catastrophe in China. After being forced to stop writing for 22 years, he rose again in China's literary sphere with his unadorned style and consummate writing technique. When talking about the present situation in China's literature circles, he mentioned some sensitive issues: "Recently, people overseas have been very concerned with Chen Yong's critical article against Liu Zaifu and are questioning if this forebodes the coming of another storm in the literature and art field. Such worries are understandable, because they are left over from historical experience. In the past, the political democratic life in China was not normal, and the atmosphere in the literature and art field was alternately tense and relaxed, with troubles appearing again and again. This has made people too sensitive and apt to misunderstand normal things. It is not easy to change people's impressions in a short time.

"But I hope people overseas will also notice another sign: If HONGQI magazine published a critical article 20 years ago, all other newspapers and journals throughout the country would also reprint this article and publish articles echoing similar viewpoints and joining the criticism campaign. The writers' organizations would also hold meetings to discuss and study the HONGQI article which criticized their colleagues. However, such phenomenon did not appear in the recent case, and no 'label' was attached to Liu Zaifu. Liu's work was not affected either."

This reporter asked: "Does Cheng Yong's speech represent a force behind the scene?" Deng Youmei answered seriously: "Liu Zaifu used some literary viewpoints to study literature and broke through the previous practice of using sociological viewpoints to study literature. He has done a very important job and has brought a fresh atmosphere to China's literature. Cheng Yong is also a serious scholar and a good man. In my view, Liu Zaifu has creative freedom and Chen Yong also has the freedom to criticize, and there is no political hand from the power structure behind them. So their arguments are merely a dispute between two thought patterns. No conclusion has been reached in this dispute, and no person has to follow the viewpoint of the other. Through free discussions, a correct viewpoint will be found. This shows that creative freedom has finally been realized in the mainland's literature field."

Mr Deng pointed out: China's economy lags behind other advanced countries, but China's literature is not backward. We can say that China's literature ranks among the advanced literatures of the world. The problem is that China did not do a good job in introducing its good literary works to the world. In particular, our literature translation work is rather weak. There are too many difficulties in translating Chinese into English, and there are too few competent translators who can translate Chinese literary works into English.

When talking about his feelings concerning the third dialogue between Chinese and American writers, Deng Youmei said: China is now rather interested in America's modern literature, and China commands a good knowledge in this field; however, the American side does not have a good knowledge of China's modern literature. It is necessary to strengthen the work of introducing more outstanding Chinese works to American readers to satisfy the needs of Americans of Chinese origin and American literature lovers.

Deng Youmei said: In any country, readers always like to enjoy a variety of literary works. Pure literature represents the culture and spirit of a nation and its market will never shrink.

COMMENTARY ON SAFETY OF DAYA BAY NUCLEAR PLANT

HK270551 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0945 GMT 25 May 86

[Commentary by Hao Si: "The Safety of the Daya Bay Nuclear Power Plant"]

[Text] Hong Kong, 26 May (ZHONGGUO TONGXUN SHE) -- The disastrous accident of the Soviet Chernobyl nuclear power plant has roused fairly great concern among Hong Kong residents. This is not only because of their worry about the fallout of radioactive dust, but is primarily because of the plan to build a nuclear power plant at Daya Bay not far from Hong Kong. Naturally, Hong Kong residents are concerned about the safety of the Daya Bay nuclear power plant.

Using nuclear power to generate electricity has already been proved to be an advanced method of electricity production that is relatively safe and reliable as well as economical. This method has been adopted by increasingly more countries. However, once an accident occurs in a nuclear power station, it will often cause tremendous harm to the human race. Therefore, we should neither oppose the construction of a nuclear power plant because of possible accidents nor fail to pay close attention to safety of our nuclear plants. The person in charge of the project of Daya Bay nuclear island, Chinese nuclear specialists and some Hong Kong physicists have all given full explanations, pointing out that the nuclear reactor in the Daya Bay nuclear power station will be entirely different in type from those in the Soviet nuclear power plant where the accident occurred. The safety facilities of the former are much better. In the 20-odd years since this type of reactor began operation, only one major accident has occurred, the accident at Three Mile Island in the United States. But the consequence of this accident was far less serious than that of the accident in the Soviet nuclear power plant.

Of course, no one dares to provide a 100 percent guarantee for the total exclusion of accidents. The problem is how we are to prevent accidents and how we are to reduce the harm caused by an accident to the minimum once it occurs. Generally speaking, this is determined by the following two aspects: 1) the safety facilities of the nuclear plant; and 2) the perfecting of the management system, in particular 14 safety management systems.

According to its design requirements, the safety facilities of the Daya Bay nuclear power plant, including the safety shell, the fuel enclosure, and the pressure boundary, are relatively perfect. In addition, there are the facilities that can stop the nuclear reaction in an emergency. Since the Three Mile Island incident, France has substituted leader safety valves for spring safety valves which were the main cause of the accident. By so doing, it has made the nuclear plants even safer and more reliable. At present, the task of first priority is to ensure the quality of construction and to be sure to make the quality of the construction entirely meets the design requirements. When Vice Premier Li Peng inspected the construction site at Daya Bay the other day, he said that during the construction of the nuclear power plant, we had to establish an integrated and scientific quality control system, and that we had to ensure the progress of the construction under the precondition of ensuring its quality and we had to ensure the quality even at the expense of the progress of the construction.

The quality of the personnel affects the quality of the management system. Relatively high professional knowledge and knowhow are necessary in managing a nuclear power plant. In addition, the workers in the plant must do their work conscientiously and meticulously with a lofty sense of responsibility. A small mistake may cause consequences too dreadful to contemplate. Therefore, establishing a well-trained work force is a key to ensuring the safe operation of the nuclear plant. In particular, we should pay special and close attention to the training of the operators who work on duty at the first line.

China has built its own nuclear reactor, but so far it has had no nuclear power plant; therefore, it has no experience in running nuclear power plants. China must start by training the work force and learning from the advanced experience gained from the construction and operation of all the nuclear power plants in the world. It should carry out international technological cooperation and information exchange related to the safe management of nuclear power plants.

The Chernobyl accident has roused people to pay even closer attention to the safety of nuclear power plants and to continue to improve these plants. Undoubtedly, this will continue to improve the human race's ability in using nuclear energy to generate electricity safely.

HONG KONG BASIC LAW GROUP DEBATES CONSTITUTION RELATIONSHIP

HK020345 Hong Kong SOUTH CHINA MORNING POST in English 2 Jun 86 p 1

[By Stanley Leung]

[Text] A weekend of talks failed to resolve the controversial issue of the relationship between the Chinese Constitution and the Basic Law. The topic was discussed at a two-day meeting of the Basic Law Drafting Committee sub-group in Shenzhen which ended yesterday.

The thorny issue, which was debated in great detail during morning and afternoon sessions yesterday, sparked off a rift at the full committee meeting in Beijing in April. A number of solutions were proposed by members of the sub-group, which is to study issues relating to the future relationship between China and Hong Kong.

A co-convenor of the subgroup, Hong Kong member Dr Rayson Huang, said afterwards that members failed to reach any consensus on a solution. Another co-convenor, Chinese member Mr Shao Tianren, admitted that members had differences of opinion in trying to come up with an acceptable resolution of the issue. After the meeting, Mr Shao called on members to examine the issue in detail. He would not disclose the proposals discussed in the meeting.

A Hong Kong sub-group member, Mr Tam Yiu-chung, said many members -- including himself and some mainland members -- suggested that the National People's Congress should elaborate on Article 31 of the Chinese Constitution which covers special administrative regions.

The sub-group also failed to make any progress in resolving who should have the final right to interpret and amend the Basic Law. Two mainland members, Mr Li Hou and Mr Lu Ping, both senior officials at the Chinese State Council's Hong Kong and Macao Affairs Office, said most members agreed such rights should belong to the NCP. Mr Lu said it was suggested that a committee comprising members from China and Hong Kong should be set up under the NPC to deal with interpretation and amendment of the Basic Law.

Hong Kong members had asked about the NEW CHINA NEWS AGENCY's role after 1997, but its Hong Kong bureau chief, Mr Xu Jiatun, said it was too early to comment. He said arrangements would be made by the Chinese Government in accordance with the Basic Law. The next sub-group meeting will be in Xiamen at the end of August.

POST-1997 HONG KONG LEADER MAY NOT BE CPC MEMBER

HK020339 Hong Kong SOUTH CHINA MORNING POST in English 2 Jun 86 p 1

[Report from Shenzhen by Stanley Leung]

[Text] The top official of Hong Kong after 1997 may not have to be a member of the Chinese Communist Party. The message came yesterday from the influential director of the local branch of the NEW CHINA NEWS AGENCY, Mr Xu Jiatun. He was in Shenzhen for the second meeting of the Basic Law sub-group studying the Beijing-Hong Kong Special Administrative Region [SAR] relationship.

Mr Xu's remarks were in reference to a suggestion by some Hong Kong members during a sub-group meeting on Saturday that it would be desirable to have a SAR chief executive with an equivalent rank to a state councillor or vice-premier in the Chinese hierarchy.

The State Council, comprising heads of policy branches, is the highest state administrative organ in China. It enforces the laws and decisions of the National People's Congress and its Standing Committee.

At present, all state councillors and vice-premiers are communist party members.

Speaking to reporters after lunch with 15 sub-group members of the Basic Law Drafting Committee, Mr Xu hinted that communist party membership should not be an obstacle for Hong Kong's chief executive to be appointed a state councillor or its equivalent. But he was not specific as to whether he supported the suggestion.

Mr Xu referred to the late Madame Soong Chingling (wife of Dr Sun Yat-sen) as a case in point. Madame Soong, who died in 1981 aged 90, was not a communist party member when she was appointed China's vice-chairman in 1959. She was admitted to the party two weeks before her death.

Mr Xu confirmed that the suggestion was raised in the Saturday session. In addition, members had raised the possibility of having a state councillor who came from a capitalist society and was not a party member.

Mr Xu believed that the idea of upgrading the chief executive to the rank of state councillor -- as suggested by sub-group members -- was aimed at improving the status of Hong Kong's top official post-1997.

In Hong Kong, a senior lecturer in the Government and Public Administration Department of the Chinese University, Dr Joseph Cheng, said the suggestion of promoting the chief executive to state councillor rank was pointless. He said the chief executive would not be able to take part in the daily affairs of the State Council because of the heavy workload of the Special Administrative Region. "It's pointless if such upgrading is aimed only at promoting the chief executive's symbolic status in the Chinese bureaucracy," Dr Cheng said.

"Even heads of other cities, provinces and autonomous regions in China do not have such a high status. Why would only the SAR's chief executive be entitled to it?"

He said the links between Hong Kong and the Chinese Government could easily be reinforced by Hong Kong having representatives in Beijing as well as mainland officials being stationed here. Hong Kong's representative could also be authorised to attend meetings of the Standing Committee of the State Council to keep in touch with national affairs.

Dr Cheng said it would not be necessary for the SAR chief executive to have membership.

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